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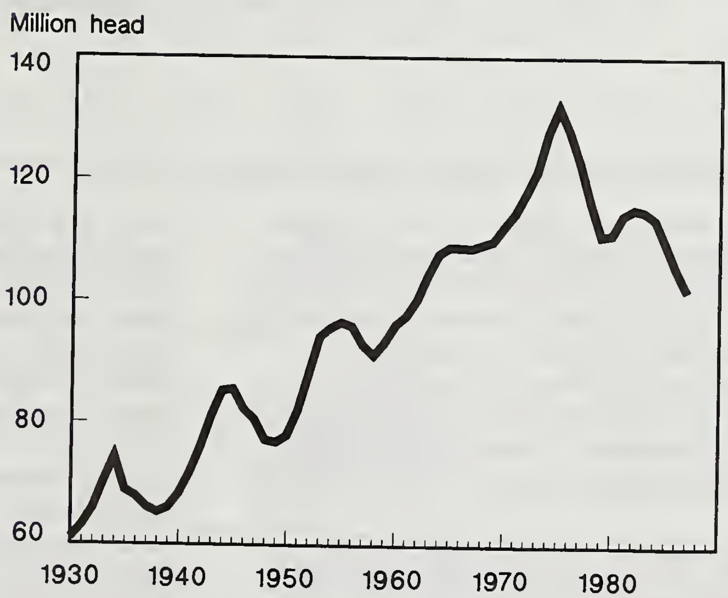
Situation and Outlook Report

Current Cattle Inventory Is Lowest Since 1962



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The present forecasts will be updated if needed in the World Agricultural Supply and Demand Estimates scheduled for release on March 9 and April 9, 1987.

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SUMMARY

Reduced cattle inventories and an end to herd liquidation are expected to lower beef supplies 6 to 8 percent in 1987. Fed beef supplies will remain large, but nonfed supplies for hamburger and processed meats are likely to drop sharply. Despite declining beef supplies, total meat supplies remain nearly record large.

Cattle and calves on farms and ranches this January 1 were the lowest since 1962 and 3 percent below a year earlier. Beef cow numbers increased in the Southern and Central Plains States, but the gain was due more to recovery from the 1982-84 drought than to any broad economic incentive to expand. Although the 1986 calf crop was about the

Table 1--Livestock, poultry, and egg production and prices
(All percent changes shown are from a year earlier.)

Item	1984	1985	1986					1987 1/			
	Annual	Annual	I	II	III	IV 1/	Annual 1/	I	II	III	Annual
					Million pounds						
PRODUCTION											
Beef	23,418	23,557	5,769	6,247	6,275	5,925	23,216	5,575	5,700	5,750	22,525
% change	+2	+1	+1	+5	+2	+3	+3	-3	-9	-8	-7
Pork	14,720	14,728	3,564	3,567	3,237	3,614	13,982	3,500	3,500	3,450	14,775
% change	-3	0	-1	-5	-9	-5	-5	-2	-2	+7	+1
Lamb & mutton	371	352	89	78	80	81	328	83	79	79	325
% change	+1	-5	-4	-6	-6	-10	-7	-8	+1	-1	-2
Veal	479	499	129	129	130	122	510	110	100	105	435
% change	+12	+4	+8	+8	+3	-9	+2	-15	-22	-19	-15
Total red meat	38,988	39,136	9,551	10,021	9,722	9,742	39,036	9,268	9,379	9,384	37,460
% change	0	0	0	+2	-2	-1	0	-3	-6	-3	-4
Broilers 2/	12,999	13,569	3,414	3,673	3,620	3,550	14,257	3,620	3,900	3,850	15,070
% change	+5	+4	+6	+5	+4	+6	+5	+6	+6	+6	+6
Turkeys 2/	2,574	2,800	556	717	939	930	3,143	645	855	1,05C	3,600
% change	0	+9	+15	+14	+10	+11	+12	+16	+19	+12	+15
Total poultry 3/	16,088	16,871	4,107	4,536	4,685	4,602	17,930	4,395	4,895	5,015	19,175
% change	+4	+5	+6	+6	+5	+7	+6	+7	+8	+7	+7
Total red meat & poultry	55,076	56,007	13,658	14,557	14,407	14,344	56,966	13,663	14,274	14,399	56,635
% change	+1	+2	+2	+3	0	+2	+2	0	-2	0	-1
					Million dozen						
Eggs	5,708	5,688	1,423	1,421	1,413	1,458	5,716	1,435	1,430	1,425	5,765
% change	+1	0	-1	+1	0	+1	0	+1	+1	+1	+1
PRICES											
					Dollars per cwt						
Choice steers, Omaha, 900-1100 lb	65.34	58.37	57.22	54.52	58.91	60.36	57.75	60-62	63-67	61-67	61-67
Barrows & gilts, 7 mkts	48.86	44.77	43.30	47.23	61.13	53.08	51.19	48-50	48-52	49-56	47-53
Slaugh. lambs, Ch., San Ang.	62.17	68.02	65.63	77.61	69.45	66.13	69.07	71-74	75-79	67-73	69-75
					Cents per pound						
Broilers, 12-city avg. 4/	55.6	50.8	50.3	54.3	66.6	56.2	56.9	51-53	52-56	51-57	50-56
Turkeys, NY 5/	74.4	75.5	62.0	68.5	79.8	78.3	72.2	55-57	58-62	67-73	62-68
					Cents per dozen						
Eggs New York 6/	80.9	66.5	74.2	63.4	72.8	74.0	71.1	65-67	63-67	65-71	64-70

1/ Forecast. 2/ Federally inspected. 3/ Includes broilers, turkeys, and mature chickens. 4/ Wholesale weighted average. 5/ Wholesale, 8- to 16-pound young hens. 6/ Cartoned, consumer Grade A large, sales to volume buyers.

same as the preceding year, the 1985 crop was the lowest since 1961. Feeder cattle supplies on January 1 were down 6 percent from a year earlier, to the lowest since the early 1960's.

The breeding hog inventory on December 1, 1986, was the smallest since the inventory estimates began in 1963. During fall 1986, producers retained significantly more gilts for the breeding herd. Because of the large retention of gilts, the number of pigs per litter (which has continually increased) may plateau or slip temporarily, but as the gilts mature the pigs per litter may once again increase.

Despite good returns since mid-1986, hog producers are continuing to take a cautious approach to expansion. Producers in the 10 quarterly reporting States said in December that they planned to have about the same number of sows farrow in December-February as a year earlier, and 2 percent more farrow in March-May.

Broiler producers, encouraged by more orders than they could fill in 1986 and continued profits, are boosting output again. This year's production may be 6 percent larger than last year's. Similarly, turkey growers are expanding production—possibly 15 percent from 1986.

Meat prices in 1987 are likely to change only modestly from 1986, as large total meat supplies hold down price increases. Choice beef prices at retail may rise only 3 to 5 percent. Retail pork prices are likely to average near 1986's record, but they will be declining moderately through much of the year. Wholesale broiler prices may average below a year earlier, particularly during the second half. Wholesale turkey prices, already below a year ago, are likely to average 5 to 10 cents a pound less than in 1986.

Last year, meat consumption totaled a record 215 pounds per capita. In 1987, the figure may be only 2 pounds less, for the third highest level on record. The average in 1970-85 was 204 pounds per person.

FACTORS AFFECTING LIVESTOCK AND POULTRY

Meat producers' returns in 1987 are likely to improve due to large supplies of grain, protein meal, and forage at lower costs, and continued economic growth. However, meat supplies will remain nearly record large. Reduced beef supplies, as cattle numbers begin to stabilize, will be nearly offset by larger poultry supplies.

Little Additional Economic Support Likely for Meat Demand

Growth in the general economy continued in 1986, but at the slowest pace since 1982. The Gross National Product (GNP) slipped to a 2.5-percent growth rate in 1986, down from 2.7 percent in 1985. The pace of economic growth is expected to increase in 1987, but this forecast is largely predicated on a reduced export deficit.

Even with somewhat stronger growth in 1987, it will likely be some time before the manufacturing, petroleum, and agricultural sectors improve sufficiently to increase consumer purchasing power and, with it, meat demand. Greater consumer confidence, reductions in the large consumer debt load, and some improvement in savings rates are necessary before a strong resurgence in meat prices occurs, particularly for higher priced beef.

Meat Supplies Remain Large

Total red meat and poultry supplies will remain nearly record large in 1987. During 1970-85, annual red meat and poultry supplies averaged 204 pounds per capita. Consumption averaged near this level in 1982, but it reached new records each subsequent year through 1986, when it peaked at 215 pounds per capita. Supplies in 1987 are likely to decline about 2 pounds per person, but this level would still be the third largest on record. Sharpest year-to-year reductions will occur in first-half 1987, a time when the trade deficit improvement may only begin to prompt stronger economic growth.

Poultry production is likely to rise 6 to 8

percent in 1987, with a fairly uniform expansion throughout the year. This is in sharp contrast to the pork sector, where production is likely to be 2 percent below year-earlier levels in the first half, but may expand fairly dramatically in the second half and into 1988. Beef supplies increased each year from 1979 through 1986, due largely to herd liquidation. Last year beef supplies were the largest since 1977, and they are likely to drop 6 to 8 percent in 1987 to the lowest levels since 1982.

Improved returns in 1986/87, lower production costs, and lower meat supplies (primarily beef) will encourage continued expansion in the poultry sector, expansion in the hog sector, and a shift towards stabilizing cattle numbers. Thus, in the future, the problem is more likely to be one of burdensome meat supplies than of reduced supplies.

Grain and Forage Costs Decline

Large grain and forage supplies, plus continued low inflation rates, will result in lower production costs for meat producers in 1987. The prime interest rate averaged 10 percent in 1985 and about 8.3 percent in 1986. It may remain the same to down slightly in 1987.

Continued large grain supplies and lower support prices should result in lower feed costs than a year ago. Even though feed grain production in 1986 was nearly 8 percent below the record 1985 harvest, stocks at the beginning of 1986/87 were record large at 120 percent above a year earlier. Use this crop year is likely to be about the same as last. Thus, ending stocks are likely to rise 35 percent above the 1985/86 record. U.S. feed grain exports are expected to rise from the low 1985/86 levels. However, world feed grain production this year is forecast to be the second largest ever, running only 9 million tons below the 1985/86 record. While U.S. production is expected to decline about 22 million tons, foreign production may expand by about 13 million.

Corn prices declined from May 1986 as prospects for record yields, sluggish exports, and declining farm loan rates materialized. The farm price of corn averaged 40 percent below a year earlier in January, and prices last fall were the lowest since 1972. The loan rate of $1.92 and target price of $3.03 are resulting in continued large payments for program participants. Generic commodity certificates are being used as partial payments for advance deficiency and diversion payments for feed grains and wheat. This payment method increases free stocks and lowers prices to domestic users and the export market. Corn prices in 1986/87 are expected to average $1.35 to $1.65 per bushel. However, export demand and redemption of generic certificates for grain may have a strong, if uncertain, influence on price patterns this year.

Forage supplies have improved in almost all areas, with record levels available in many places. Pasture and range feed conditions on November 1, the last report for 1986, were rated at 85 percent, 6 points above a year earlier, and 11 points above the 10-year average. Pasture conditions in the Southeast were much improved following the drought last summer, but remained in the poor range. Small grain pastures were doing well there and with a normal winter should provide much-needed forage supplies for the reduced cattle inventory.

Hay production in 1986 was a record 158 million tons, up 6 percent from a year earlier and 3 percent above the 1984 record. Area harvested increased 3 percent to 62.3 million acres, the largest since 1967. The survey date for winter hay stocks was shifted from January 1 to December 1, effective December 1986. On December 1 hay stocks totaled 122 million tons, 26 percent above January 1, 1986, and 21 percent above 2 years earlier, when stocks reached their previous high of 101 million tons. These large carryin stocks, plus a 3- to 5-percent decline in roughage-consuming animal units in 1987, should provide adequate hay supplies in most

Table 2--Hay production and stocks

Item	1985	1986	Year-over-year change
	1,000 tons		Percent
Hay production	148,601	155,271	4.5
Hay stocks on farms, Dec. 1 1/	96,555	121,530	25.9

1/ Prior to December 1986 the hay stocks reference date was January 1.

areas. The farm price of hay in January averaged $55.60 a ton, down more than $10 from a year earlier.

In addition to accumulated pasture and range growth in most areas, a record hay crop, and prospects for good small grain pasture growth, millions of acres of cropland pasture are also available for grazing under the Food Security Act of 1985. While this pasture is not needed in most areas, it does provide a forage reserve that could be used to support cattle and sheep numbers if forage conditions deteriorate.

Cattle

Herd liquidation appears to be ending, according to the latest cattle inventory report. The report indicates that a stronger-than-expected herd rebuilding effort occurred in the Central and Southern Great Plains. This area was forced to reduce its inventory during the extended drought in 1982–84, but when forage conditions improved dramatically in 1985, herd rebuilding began. The scenario over the next couple of years continues to suggest stabilizing cattle numbers and reduced beef supplies.

Cattle Inventory Decline

The cattle inventory on January 1, 1987, was the lowest since 1962 and 3 percent below a year earlier. Beef cows were up 277,000 head or 1 percent. Dairy cows were down 6 percent primarily because of the Dairy Termination Program (DTP). Absolute increases in beef cows were concentrated in the 1982–84 drought-affected areas of Oklahoma, Texas, Arkansas, and Missouri, with a rise of 407,000 beef cows. Although a relatively unimportant beef area, the Northeastern States had increased beef cow numbers in almost all areas. Surprisingly, beef

Table 3--Cattle balance sheet

Year	On farms Jan. 1	Imports	Calf crop	Total supply	Slaughter		Death loss	Exports	Total disappearance	To balance	On farms Dec. 31
					Cattle	Calves					
					1,000 head						
1950	77,963	461	34,899	113,323	18,614	10,501	3,742	8	32,865	+1,625	82,083
1951	82,083	239	35,825	118,147	17,084	8,902	3,863	8	29,857	-218	88,072
1952	88,072	140	38,273	126,485	18,625	9,388	4,034	11	32,058	-186	94,241
1953	94,241	198	41,261	135,700	24,465	12,200	4,060	15	40,740	+719	95,679
1954	95,679	86	42,601	138,366	25,889	13,270	4,063	21	43,243	+1,469	96,592
1955	96,592	314	42,112	139,018	26,587	12,864	4,052	35	43,538	+420	95,900
1956	95,900	159	41,376	137,435	27,755	12,999	3,912	37	44,703	+128	92,860
1957	92,860	728	39,905	133,493	27,068	12,353	3,801	44	43,266	+949	91,176
1958	91,176	1,152	38,860	131,188	24,368	9,738	3,810	26	37,942	+76	93,322
1959	93,322	709	38,938	132,969	23,722	8,072	3,876	51	35,721	-1,012	96,236
1960	96,236	663	39,416	136,315	26,029	8,615	4,100	32	38,776	+161	97,700
1961	97,700	1,043	40,180	138,923	26,471	8,080	4,018	24	38,593	+39	100,369
1962	100,369	1,250	41,441	143,060	26,911	7,857	4,125	19	38,912	+340	104,488
1963	104,488	852	42,268	147,608	28,070	7,204	4,040	23	39,337	-368	107,903
1964	107,903	547	43,809	152,259	31,678	7,632	4,232	62	43,604	+345	109,000
1965	109,000	1,128	43,922	154,050	33,171	7,788	4,248	54	45,261	+73	108,862
1966	108,862	1,100	43,537	153,499	34,173	6,863	4,049	35	45,120	+404	108,783
1967	108,783	752	43,803	153,338	34,297	6,110	4,045	55	44,507	+540	109,371
1968	109,371	1,039	44,315	154,725	35,418	5,616	4,012	36	45,082	+372	110,015
1969	110,015	1,042	45,177	156,234	35,573	5,011	4,123	39	44,746	+881	112,369
1970	112,369	1,168	45,871	159,408	35,356	4,203	4,297	88	43,944	-886	114,578
1971	114,578	991	46,738	162,307	35,905	3,825	4,442	93	44,265	-180	117,862
1972	117,862	1,186	47,682	166,730	36,134	3,201	5,126	104	44,565	-626	121,539
1973	121,539	1,039	49,194	171,772	34,102	2,404	6,487	273	43,266	-718	127,788
1974	127,788	568	50,873	179,229	37,353	3,175	6,110	204	46,842	-359	132,028
1975	132,028	389	50,183	182,600	41,464	5,406	6,992	196	54,058	-562	127,980
1976	127,980	984	47,384	176,348	43,199	5,527	5,190	205	54,121	-583	122,810
1977	122,810	1,133	45,931	169,874	42,381	5,692	6,000	107	54,180	+681	116,375
1978	116,375	1,253	43,818	161,446	39,970	4,302	5,800	122	50,194	-388	110,864
1979	110,864	732	42,596	154,192	34,005	2,927	5,600	66	42,598	-352	111,242
1980	111,242	681	44,938	156,861	34,116	2,679	5,413	66	42,274	-236	114,351
1981	114,351	680	44,666	159,697	35,265	2,886	5,059	88	43,298	-955	115,444
1982	115,444	1,005	44,200	160,649	36,158	3,106	5,429	58	44,751	-897	115,001
1983	115,001	921	43,925	159,847	36,974	3,162	5,501	56	45,693	-454	113,700
1984	113,700	753	42,500	156,953	37,892	3,367	5,475	71	46,805	-399	109,749
1985	109,749	836	41,045	151,630	36,593	3,455	5,051	125	45,224	-938	105,468
1986	105,468	1,335	41,201	148,004	37,600*	3,460*	5,050*	106	46,216*	+243	102,031
1987	102,031										

*Preliminary.

Table 4--Heifers entering cow herd January-June and July-December

Year	Jan. 1 cow inventory	Intended herd replacements Jan. 1	Total 1/ disappearance Jan.-June	July 1 cow inventory	Heifers entering herd Jan.-June	Percent entering herd	Intended herd replacements July 1	Total 2/ disappearance July-Dec.	Jan. 1 cow inventory following year	Heifers entering herd July-Dec.	Percent entering herd
	- - - - 1,000 head					Percent	- - - - 1,000 head				Percent
1973	52,553	11,306	3,550	54,037	5,034	44.5	11,144	3,496	54,478	3,937	35.3
1974	54,478	12,134	3,625	56,960	6,107	50.3	11,780	4,702	56,931	4,673	39.7
1975	56,931	12,971	5,212	58,053	6,336	48.8	11,306	7,197	54,974	4,118	36.4
1976	54,971	11,148	5,628	53,938	4,595	41.2	10,475	5,811	52,441	4,314	41.2
1977	52,441	10,414	5,221	52,190	4,970	47.7	9,846	5,429	49,635	2,874	29.2
1978	49,635	9,744	4,961	48,413	3,739	38.4	9,340	4,253	47,852	3,692	39.5
1979	47,852	9,459	3,413	47,815	3,376	35.7	9,885	3,235	47,866	3,286	33.2
1980	47,866	10,101	3,304	49,941	5,379	53.3	10,214	3,748	49,622	3,429	33.6
1981	49,622	10,481	3,599	51,004	4,981	47.5	10,856	3,788	50,216	3,000	27.6
1982	50,216	11,147	3,925	49,990	3,699	33.2	10,900	4,182	48,986	3,178	29.2
1983	48,986	10,881	3,885	49,600	4,499	41.3	10,680	4,447	48,603	3,450	32.3
1984	48,603	10,715	4,564	48,700	4,661	43.5	10,450	4,782	46,211	2,293	21.9
1985	46,174	10,302	3,971	46,300	4,097	39.8	9,900	4,113	44,812	2,625	26.5
1986	44,810	9,910	4,338	45,000	4,526	45.7	9,500	4,293	44,457	3,750	39.5
1987	44,457	9,489	3,200								

1/ Death loss calculated as 1 percent of January 1 cow inventory plus estimated commercial cow slaughter. 2/ Death loss calculated as 1/2 percent of January 1 cow inventory plus estimated commercial cow slaughter.

cow numbers expanded in four of the six States most affected by drought in July-August 1986: Alabama, +6 percent; Georgia, +1; South Carolina, +3; Virginia, +11; Maryland, -30; and North Carolina, -8. The aggregate rise for the six was 83,000 head.

It appears that while producers in this 1986 drought area were selling off large numbers of yearlings and calves, they were able to maintain or even expand their base herd. Fortunately, good rains in September helped reestablish pastures, particularly small grain pastures, to support their cow herd. Beef herds in the North Central and Western States continued to decline or were being maintained near the reduced 1986 levels.

In general, the beef herd expansion reflects a turnaround in the situation in the Southern and Central Plains. Forage supplies in this area are now good and cow-calf producers appear to be bringing their herds to near carrying capacity. The incentives for a sharp, broad national expansion are not present, as 1986 was the first year since 1981 that cattlemen have been able to at least cover cash costs. However, some further expansion is likely among producers with cow-calf operations as their primary source of income. Some of these producers may hold back additional heifers to move toward fuller use of excess forage supplies.

However, on mixed crop-livestock enterprises, where the beef herd is a supplementary enterprise, the need to generate more internal capital or pay down debts is likely to continue. Cash flow and other financial problems may result in some continued herd liquidation, but the heaviest liquidation on these farms is likely over. The opportunity costs of retaining more heifers for herd expansion rather than selling them are likely too great for much expansion on these mixed operations. Further, herds that were liquidated are not likely to be reestablished because many of these farms probably cannot either generate the needed investment capital themselves or persuade lenders to loan funds for an enterprise which at best will cover cash costs and provide a small return on investment. On balance, the U.S. beef herd will likely stabilize near to slightly below current levels during the coming year.

Heifers entering the cow herd account for the turnaround in beef cow numbers. The number of beef and dairy heifers that calved and entered the herd rose about 425,000 head in first-half 1986 from a year earlier, and climbed 1.1 million head in the second half. Since the dairy herd was declining, this implies a proportionately larger increase in beef heifer retention.

On January 1, 1987, the total number of heifers being retained for possible herd expansion was down 4 percent from a year earlier and 8 percent from 2 years before. Beef replacement heifers were about unchanged from a year before, but down 7 percent from January 1, 1985. The figures indicate a possible slowdown in herd expansion

in the 1982-84 drought area, with beef replacement heifers down 16 percent in Oklahoma, unchanged in Texas, up 3 percent in Missouri, but up 18 percent in Arkansas. Replacement beef heifers in the Southeast were down 3 percent. North Central area producers, together with those in parts of the West, may be expanding modestly following a decline in 1986. In general, a strong, broad expansion has not occurred and is not expected as long as total meat supplies remain nearly record large and farm financial problems continue.

Feeder Cattle Supplies Decline

The calf crop was up slightly in 1986 from 1985, due to the sharp rise in beef replacement heifers calving and entering the herd. However, after declining from 1980 on, the calf crops in 1985 and 1986 stood the lowest since 1961 and reflected a dramatic drop in feeder cattle supplies during the 1980's

On January 1, 1987, the total supply of steers weighing 500 pounds and over was down 4 percent from a year earlier, while the heifer supply, excluding replacement heifers, was down 7 percent. The number of calves under 500 pounds was down 6 percent, likely reflecting the outstanding forage conditions and favorable rate of gains on pasture in 1986. Given a larger calf crop and a sizable increase in heifers calving and entering the herd in the second half, it would seem that the number of calves in inventory under 500 pounds would be larger. However, the number of yearling steers, though down, suggests that a larger proportion of the 1986 calf crop exceeded 500 pounds than usual.

Total feeder cattle supplies outside feedlots and available for stocker programs or feedlot placement on January 1 were 6 percent below a year earlier. This is the lowest feeder cattle supply for this date since the early 1960's. The calf supply was down 6 percent and yearling supplies were down 5 percent. Many of these cattle remain in good condition and are likely to enter feedlots at heavier weights. Supplies remain adequate to keep feedlot marketings near to slightly below 1986 levels. Even if the rate of heifer retention increases, nonfed steer and heifer slaughter has remained fairly large and more of these cattle could be shifted into feedlots, particularly for shorter feeding periods. In addition, feeder cattle imports, primarily from Mexico, are expected to remain large though early spring (see the cattle trade discussion at end of the cattle section). With large forage supplies, many of the feeder cattle are likely to remain on pasture longer and continue to enter feedlots at relatively heavy weights. In recent years, cow-calf producers have kept their calves for more weight gain before being sold.

Large meat supplies are expected to continue for at least the next several years, even as beef supplies decline. These large meat supplies and a sluggish economy will hold down beef price gains and the price cattle feeders can pay for feeder cattle. With large forage supplies available and more cash needed, feeder cattle producers are likely to

Table 5--January 1 feeder cattle supply

Item	1981	1982	1983	1984	1985	1986	1987	1987/86
				1,000 head				
Calves, 500 lb 1/								
On farms	28,903	28,777	28,346	27,611	26,436	24,431	23,084	-5.5
On feed 2/	897	606	757	601	533	409	455	+11.4
Total	28,006	28,171	27,589	27,010	25,903	24,022	22,629	-5.8
Steers & heifers, 500 + lb 3/								
On farms	22,801	22,687	24,179	24,222	24,425	24,057	22,797	-5.2
On feed 2/	10,618	9,954	11,220	10,945	11,867	11,026	10,455	-5.2
Total	12,183	12,733	12,959	13,277	12,558	13,031	12,342	-5.3
Total supply	40,189	40,905	40,548	40,287	38,460	37,053	34,971	-5.6

1/ Less than. 2/ Estimated U.S. steers and heifers. 3/ Not including heifers for cow replacement.

continue shifting towards cow-calf-yearling operations and marketing more of their grass though feeder cattle. Demand for lightweight stocker-feeder calves may increase as producers with reduced cattle inventories but large forage supplies compete for the smaller number of stocker cattle.

1986 Production Increased

Beef production and cattle slaughter in 1986 increased nearly 3 percent from 1985. Commercial cattle slaughter weights remained almost unchanged. Steer weights were down about 4 pounds as feedlot marketings remained current throughout the year. However, heavier placement weights helped maintain slaughter weights, a trend that is likely to continue. Cow slaughter weights rose about 9 pounds, reflecting the sharp increase in dairy cow slaughter under the DTP. Heifer weights were about unchanged, again likely reflecting some weight increase from dairy heifer slaughter, but also mirroring the good growing conditions throughout the year. Slaughter by class reflects a cow slaughter increase of 8 percent, due primarily to the DTP. Dairy cow slaughter rose 25 percent, while beef cow slaughter declined 4 percent. Nonfed steer and heifer slaughter rose, again primarily because of the DTP herd reductions. Fed cattle slaughter remained large, standing less than 1 percent below the 1985 level.

Fed Cattle Marketings Current

Following the large placements of cattle on feed last summer, October-December 1986 fed cattle marketings rose 3 percent from a year earlier. Net placements last fall were down 9 percent, and on January 1 cattle on feed in the 13 quarterly reporting States were 5 percent below a year earlier. Feedlot operators indicated intentions on January 1 to market 3 percent fewer cattle during first-quarter 1987 than a year ago. Numbers of cattle in weight groups normally marketed during this period suggest that marketings could drop further. However, good weight

Table 6--Commercial cattle slaughter 1/ and production

Year	Steers and heifers: Fed	Steers and heifers: Nonfed	Steers and heifers: Total	Cows	Bulls and stags	Total 2/	Average dressed weight	Commercial production 2/
	- - - 1,000 head - - -						Pounds	Million pounds
1983:								
I	6,419	424	6,843	1,701	188	8,732	633	5,527
II	6,367	581	6,948	1,694	209	8,851	628	5,556
III	6,799	621	7,420	1,908	220	9,548	630	6,015
IV	6,167	866	7,033	2,294	191	9,518	626	5,962
Year	25,752	2,492	28,244	7,597	808	36,649	629	23,060
1984:								
I	6,467	457	6,924	2,080	165	9,169	623	5,710
II	6,476	660	7,136	1,998	209	9,343	623	5,820
III	6,556	620	7,176	2,169	217	9,562	622	5,952
IV	6,259	677	6,936	2,372	198	9,508	624	5,936
Year	25,758	2,431	28,172	8,621	789	37,582	623	23,418
1985:								
I	6,678	208	6,886	1,879	171	8,936	637	5,692
II	6,663	534	7,197	1,630	195	9,022	656	5,923
III	6,887	577	7,464	1,691	197	9,352	659	6,167
IV	5,927	655	6,592	2,191	196	8,979	643	5,775
Year	26,155	1,984	28,139	7,391	759	36,289	649	23,557
1986: 3/								
I	6,464	371	6,835	1,884	165	8,884	649	5,769
II	6,644	743	7,387	2,006	181	9,574	652	6,247
III	6,745	776	7,521	1,941	191	9,653	650	6,275
IV	6,104	770	6,874	2,128	177	9,179	645	5,925
Year	25,957	2,660	28,617	7,959	714	37,290	649	24,216

1/ Classes estimated. 2/ May not add due to rounding. 3/ Preliminary.

Table 7--Commercial calf slaughter and production

Year	Slaughter 1/	Average dressed weight	Production 1/
	1,000 head	Pounds	Million pounds
1983:			
I	734	140	103
II	669	146	98
III	805	137	110
IV	868	135	117
Year	3,076	139	428
1984:			
I	817	141	115
II	745	152	113
III	856	143	122
IV	874	145	127
Year	3,293	145	477
1985:			
I	820	145	119
II	770	156	120
III	872	144	126
IV	923	145	134
Year	3,385	148	499
1986: 2/			
I	873	148	129
II	836	154	129
III	859	151	130
IV	839	145	122
Year	3,407	150	510

1/ May not add due to rounding. 2/ Preliminary.

gains continue and cattle appear to be moving to market ahead of schedule.

Cattle on feed in the 7 monthly reporting States on February 1 were 5 percent below a year ago. January marketings were 1 percent above a year earlier. There was one less week day in January this year, so adjusted marketings were up 4 to 5 percent. Net placements were 4 percent below a year ago. The feedlots remain current after continued larger marketings during January. Marketings in the first quarter are likely to be only slightly below a year ago. Thus, fed cattle marketings likely will drop later this quarter and into spring.

Beef Production To Decline

Beef production in 1987 is likely to drop 6 to 8 percent, with sharpest year-to-year declines occurring in nonfed beef slaughter. The largest part of the slaughter under the DTP is now over, and slaughter, particularly in the second and third quarters, will be sharply lower than last year. In addition, with indications that the cattle herd is beginning to stabilize and with feeder cattle prices rising, cow slaughter likely will decline 15 to 20 percent this year. However, this would still represent about 15 percent of the cow herd being slaughtered, far from the 11- to 13-percent slaughter that would suggest strong expansion. In the first 4 full weeks of January, total cow slaughter fell 17 percent, with beef cow slaughter down 23 percent.

The large decline in slaughter reflects the sharp drop in the total cow herd in recent years. Nonfed steer and heifer slaughter will likely return to or go slightly below 1985. This slaughter could drop even more if demand for feeder cattle placements or heifer retention rises more than expected. Fed cattle slaughter may remain near to slightly below a year earlier.

For the year, beef production may drop 6 to 8 percent, with slaughter down about 3 percent from a year earlier this winter, but then declining 6 to 9 percent during the remainder of 1987. Nonfed beef supplies for hamburger and processing meats will drop sharply. However, more of the lower priced cuts from the adequate fed beef marketings will be ground to augment hamburger supplies, and larger poultry and pork supplies will be used in processed meats.

Modest Price Strength Expected

Cattle prices in 1986 averaged about $1 per cwt below the year earlier. Prices were generally below 1985 in the first half, but increased from spring lows to average above a year earlier in the second half. Prices in 1987 are likely to continue rising, with annual peaks expected this spring. Choice fed steers at Omaha may average in the lower $60's, up from $57.75 in 1986. Prices are likely to peak in the middle $60's this spring. Sharpest year-to-year increases will occur for feeder cattle prices, particularly for feeder calves. Yearling feeder steer prices at Kansas City may average in the upper $60's, with strongest prices--near $70--occurring in the first half. Prices will move down toward the middle $60's in the second half, as fed cattle prices are held down by increased supplies of competing meats. Strong demand for the smaller stocker-feeder cattle supply will be due to lower grain prices, large forage supplies, and wider feeding margins in late 1986 and early

Table 8—Federally inspected cattle slaughter

Week ended	Cattle			Steers			Cows: Total			Cows: Dairy			Cows: Dairy as percent of total		
	1984	1985	1986	1984	1985	1986	1984	1985	1986	1984	1985	1986	1984	1985	1986
	Thousands												Percent		
Jan. 1 1/	589	522	521	292	241	243	133	109	115	—	38	45	--	35	39
8	606	553	591	277	247	269	164	129	137	84	50	58	51	38	42
15	699	736	756	325	323	343	180	183	189	90	70	79	50	38	42
22	707	741	755	339	355	343	163	153	176	87	61	72	53	40	41
29	693	679	704	333	327	321	169	140	153	90	52	67	53	37	44
Feb. 5	657	666	669	318	313	308	159	146	143	89	60	62	56	41	43
12	689	672	655	344	313	307	150	133	144	81	58	64	54	44	44
19	683	657	651	425	301	310	153	146	122	79	59	58	51	40	48
26	666	670	638	318	311	289	146	142	126	77	59	59	52	41	47
Mar. 5	684	680	676	329	323	318	139	131	136	72	60	64	52	46	47
12	675	678	637	324	332	297	145	127	130	69	55	62	48	44	48
19	689	676	638	342	311	304	143	137	128	68	60	61	48	44	48
26	644	622	646	319	289	305	134	128	131	67	56	61	50	44	46
Apr. 2	650	620	641	312	282	295	139	124	135	67	55	64	48	44	47
9	631	612	669	301	264	315	135	118	157	65	54	89	48	46	57
16	662	640	716	328	286	354	143	119	148	62	53	97	43	44	66
23	651	659	705	322	322	339	148	127	137	60	52	86	41	42	63
30	655	681	719	322	320	342	147	123	159	57	49	92	39	40	58
May 7	666	684	719	332	344	334	149	115	157	56	48	84	37	42	54
14	712	686	706	361	336	327	145	116	148	55	46	77	38	40	52
21	730	711	731	368	356	339	152	120	156	53	47	74	35	39	47
28	743	689	729	364	335	334	155	130	158	55	49	77	35	38	49
June 4	642	600	643	317	288	310	132	113	136	46	41	64	35	36	47
11	720	662	720	361	328	364	149	125	142	51	44	66	34	36	46
18	722	673	735	363	344	375	150	110	143	52	42	66	35	38	46
25	706	684	691	336	338	327	155	121	140	53	44	65	35	37	46
July 2	708	685	731	333	328	343	157	131	146	52	47	69	33	36	47
9	605	559	612	285	294	289	112	84	123	38	32	59	34	38	48
16	742	707	734	337	334	342	168	131	149	58	50	74	34	38	50
23	705	697	746	317	324	354	164	140	163	55	48	75	34	34	46
30	680	678	732	313	331	346	152	119	151	52	45	71	34	38	47
Aug. 6	696	659	685	327	319	310	158	114	148	57	46	75	36	40	51
13	710	683	723	323	324	339	161	102	141	57	44	71	35	41	50
20	701	705	767	322	327	361	153	128	150	52	50	78	34	39	52
27	717	720	733	317	338	341	171	136	147	62	52	71	36	38	48
Sept. 3	745	706	718	329	334	333	175	133	146	62	53	74	36	40	51
10	653	613	619	296	295	291	144	110	116	53	46	55	37	41	47
17	748	726	734	338	332	332	176	136	134	63	54	59	36	40	44
24	745	714	722	343	346	352	174	128	145	59	52	66	34	41	46
Oct. 1	710	690	678	316	310	336	169	137	143	58	58	63	34	42	44
8	733	671	654	321	289	338	167	148	126	56	61	62	34	41	49
15	729	692	686	305	300	342	175	147	137	61	57	64	35	39	47
22	731	674	690	313	293	318	176	155	149	62	60	66	35	39	44
29	701	678	688	312	299	322	179	159	150	62	61	60	34	38	40
Nov. 5	700	633	696	309	274	325	187	154	165	63	60	67	34	39	41
12	683	666	714	298	292	335	175	167	165	58	66	68	33	40	41
19	694	669	671	308	285	296	176	174	168	60	68	73	34	39	43
26	577	655	692	261	288	313	139	166	175	49	66	70	35	40	40
Dec. 3	711	550	594	298	255	282	194	130	133	72	50	53	37	38	40
10	701	653	685	284	282	298	191	171	174	69	68	74	36	40	43
17	733	680	676	305	290	302	186	192	175	63	75	71	34	39	41
24	702	670	691	305	297	315	175	168	170	62	68	73	36	41	43

1/ Corresponding date—1984: December 31, 1983; 1985: December 29, 1984; 1986; December 28, 1985.

Table 9--13-States cattle on feed, placements, marketings, and other disappearance 1/

Year	Cattle on feed 2/	Change previous year	Placed on feed	Change previous year	Fed cattle marketed	Change previous year	Other disappearance	Change previous year
	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent
1983:								
I	10,271	13.8	5,027	-9.8	5,694	4.6	451	33.0
II	9,153	3.8	5,894	2.0	5,527	6.1	450	10.0
III	9,070	1.0	5,583	-4.5	5,891	2.0	298	17.3
IV	8,465	-3.8	7,272	.8	5,436	1.2	393	6.2
Year	---	---	23,776	-2.6	22,548	3.4	1,592	16.0
1984:								
I	9,908	-3.5	5,511	9.6	5,714	.4	365	-19.1
II	9,340	2.0	5,562	-5.7	5,620	1.7	582	29.3
III	8,700	-4.1	6,252	12.0	5,684	-3.5	268	-10.1
IV	9,000	6.3	7,592	3.9	5,507	1.3	417	6.1
Year	---	---	24,884	4.5	22,525	-.1	1,632	2.5
1985:								
I	10,653	7.3	5,315	-3.4	5,907	3.4	373	2.2
II	9,688	3.7	5,206	-6.5	5,787	3.0	437	-24.9
III	8,660	-.5	5,480	-12.3	5,967	5.0	244	-9.0
IV	7,937	-11.8	7,365	-3.0	5,224	-5.4	324	-22.3
Year	---	---	23,366	-6.1	22,887	1.5	1,378	-15.6
1986:								
I	9,754	-8.4	5,270	-.8	5,763	-2.4	316	-15.3
II	8,945	-7.7	5,221	-.3	5,821	-.6	375	-14.2
III	7,970	-8.1	6,336	14.0	5,876	-1.6	233	-4.5
IV	8,197	3.3	6,726	-8.7	5,376	2.9	312	-3.7
Year	---	---	23,553	.1	22,836	-.2	1,236	-10.3
1987:								
I	9,235	-5.3						

1/ Revised. 2/ Beginning of quarter.

Table 10--7-States cattle on feed, placements, and marketings

Year	On feed	Change from previous year	Net placements	Change from previous year	Marketings	Change from previous year	Other disappear-ance	Change from previous year
	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent
1984								
Jan.	8,006	-3.7	1,480	+8.5	1,569	-3.6	86	-33.8
Feb.	7,917	-1.7	1,219	+16.9	1,621	+8.7	82	-32.2
Mar.	7,515	-1.2	1,647	+30.0	1,594	-.6	117	-14.6
Apr.	7,568	+4.1	1,331	-6.5	1,523	+3.6	184	+28.7
May.	7,376	+2.1	1,579	-6.5	1,637	+3.7	219	+46.0
June	7,318	-.2	1,351	-10.9	1,544	-1.7	94	+20.5
July	7,125	-2.1	1,239	+14.7	1,553	+3.7	84	-10.6
Aug.	6,811	-.7	1,619	+8.4	1,683	+1.9	61	-30.7
Sept.	6,747	+.6	2,184	+13.2	1,489	-11.5	81	+14.1
Oct.	7,442	+7.1	2,436	+3.3	1,657	+1.9	110	+7.8
Nov.	8,221	+7.0	1,824	+14.7	1,501	+2.9	121	0.0
Dec.	8,544	+9.3	1,520	-7.1	1,429	-1.1	137	+15.1
1985								
Jan.	8,635	+7.6	1,331	-10.1	1,782	+13.6	118	+37.2
Feb.	8,184	+3.4	1,247	+2.3	1,540	-5.0	94	+14.6
Mar.	7,891	+5.0	1,494	-9.3	1,559	-2.2	98	-16.2
Apr.	7,826	+3.4	1,283	-3.6	1,603	+5.3	133	-27.7
May	7,506	+1.8	1,548	-2.0	1,604	-2.0	128	-41.6
June	7,450	+1.8	1,184	-12.4	1,577	+2.1	87	-7.4
July	7,057	-1.0	1,017	-17.9	1,670	+7.5	61	-27.4
Aug.	6,404	-6.0	1,448	-10.6	1,697	+.8	62	+1.6
Sept.	6,155	-8.8	1,909	-12.6	1,603	+7.7	79	-2.5
Oct.	6,461	-13.2	2,694	+10.6	1,573	-5.1	85	-22.7
Nov.	7,582	-7.8	1,690	-7.3	1,380	-8.1	76	-37.2
Dec.	7,892	-7.6	1,429	-6.0	1,401	-.9	111	-19.0
1986								
Jan.	7,920	-8.2	1,494	+12.2	1,750	-1.8	87	-26.3
Feb.	7,664	-6.4	1,128	-9.5	1,470	-4.5	92	-2.1
Mar.	7,322	-7.2	1,564	+4.7	1,593	+2.2	86	-12.2
Apr.	7,293	-6.8	1,445	+12.6	1,631	+1.7	120	-9.8
May	7,107	-5.3	1,624	+4.9	1,635	+1.9	132	+3.1
June	7,096	-4.8	1,095	-7.5	1,648	+4.5	67	-23.0
July	6,543	-7.3	1,480	+45.5	1,692	+1.3	64	+5.0
Aug.	6,331	-1.1	1,732	+19.6	1,659	-2.2	70	+12.9
Sept.	6,404	+4.0	2,044	+7.1	1,637	+2.1	59	-25.3
Oct.	6,811	+5.4	2,322	-13.8	1,587	+.1	81	-4.7
Nov.	7,546	-.5	1,727	+2.2	1,447	+4.9	87	+14.5
Dec.	7,826	-.8	1,301	-9.0	1,494	+6.6	104	-6.3
1987								
Jan.	7,633	-3.6	1,434	-4.0	1,773	+1.3	127	+46.0
Feb.	7,294	-4.8						

Table 11--Great Plains custom cattle feeding: Selected costs at current rates 1/

Purchased during: Marketed during:	Jan. 86 July	Feb. Aug.	Mar. Sept.	Apr. Oct.	May Nov.	Jun. Dec.	July Jan. '87	Aug. Feb.	Sept. Mar.	Oct. Apr.	Nov. May	Dec. June
EXPENSES: ($/head)												
600-lb feeder steer	374.46	376.86	354.18	330.90	325.68	329.28	366.48	381.78	381.00	369.90	376.50	381.48
Transportation to feedlot (300 miles)	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96
Commission	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Feed:												
Milo (1,500 lb)	67.50	65.55	65.40	67.80	72.45	72.60	60.75	53.40	51.00	47.70	43.50	49.95
Corn (1,500 lb)	77.10	75.30	74.40	76.50	79.80	79.50	67.35	57.90	52.80	49.80	52.95	57.30
Cottonseed meal (400 lb)	38.00	40.00	40.00	40.00	42.00	42.00	40.40	40.40	40.40	40.80	40.80	45.20
Alfalfa hay (800 lb)	45.60	47.20	44.40	45.20	42.80	39.20	39.60	39.60	40.80	40.80	40.40	43.60
Total feed cost	228.20	228.05	224.20	229.50	237.05	233.30	208.10	191.30	185.00	179.10	177.65	196.05
Feed handling & management charge	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Vet medicine	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Interest on feeder & 1/2 feed	30.54	30.68	29.14	24.51	24.43	24.53	24.11	24.47	24.27	21.82	22.10	22.78
Death loss (1.5 percent of purchase)	5.62	5.65	5.31	4.96	4.89	4.94	5.50	5.73	5.72	5.55	5.65	5.72
Marketing 2/	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.
Total	669.77	672.20	643.80	620.83	623.01	623.01	635.15	634.23	626.94	607.33	612.86	636.99
SELLING PRICE REQUIRED TO COVER: 3/ ($/cwt)												
Feed and feeder costs (1,056 lb)	57.07	57.28	54.77	53.07	53.29	53.27	54.41	54.27	53.60	51.99	52.48	54.69
All costs	63.43	63.66	60.97	58.79	59.00	59.00	60.15	60.06	59.37	57.51	58.04	60.32
Selling price 4/	59.28	59.84	60.44	61.90	63.73	61.45						
Net margin	-4.15	-3.82	-.53	3.11	4.73	2.45						
Cost per 100-lb gain												
Variable costs less interest	51.56	51.54	50.70	51.69	53.19	52.45	47.52	44.21	42.94	41.73	41.46	45.15
Feed costs	45.64	45.61	44.84	45.90	47.41	46.66	41.62	38.26	37.00	35.82	35.53	39.21
PRICES:												
Choice feeder steer 600-700 lb Amarillo $/cwt	62.41	62.81	59.03	55.15	54.28	54.88	61.08	63.63	63.50	61.65	62.75	63.58
Transportation rate $/cwt/100 miles 5/	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Commission fee $/cwt	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
Milo $/cwt 6/	4.50	4.37	4.36	4.52	4.83	4.84	4.05	3.56	3.40	3.18	2.90	3.33
Corn $/cwt 6/	5.14	5.02	4.96	5.10	5.32	5.30	4.49	3.86	3.52	3.32	3.53	3.82
Cottonseed meal (41%) $/cwt 7/	9.50	10.00	10.00	10.00	10.50	10.50	10.10	10.10	10.10	10.20	10.20	10.30
Alfalfa hay $/ton 8/	84.00	88.00	81.00	83.00	77.00	68.00	69.00	69.00	72.00	72.00	71.00	79.00
Feed handling & management charge $/ton	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Interest, annual rate	12.50	12.50	12.50	11.00	11.00	11.00	10.25	10.25	10.25	9.50	9.50	9.50

1/ Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feedlots. For individual use, adjust expenses and prices for management, production level, and locality of operation. Steers are assumed to gain 500 lbs in 180 days at 2.8 lbs per day with feed conversion of 8.4 lbs per pound gain. Revisions have been made per annual Agricultural Prices. 2/ Most cattle sold f.o.b. at the feedlot with 4-percent shrink. 3/ Sale weight 1,056 lbs (1,100 lbs less 4-percent shrink). 4/ Choice slaughter steers, 900-1100 lbs, Texas-New Mexico direct. 5/ Converted from cents per mile for a 44,000-lb haul. 6/ Texas Panhandle elevator price plus $0.15/cwt handling and transportation to feedlots. 7/ Average prices paid by farmers in Texas. 8/ Average price received by farmers in Texas plus $30/ton handling and transportation to feedlots.

Table 12—Corn Belt cattle feeding: Selected costs at current rates 1/

Purchased during: Marketed during:	Jan. 86 July	Feb. Aug.	Mar. Sept.	Apr. Oct.	May Nov.	Jun. Dec.	July Jan. '87	Aug. Feb.	Sept. Mar.	Oct. Apr.	Nov. May	Dce. June
Expenses:												
600 lb. feeder steer	372.96	374.52	379.32	361.92	362.40	351.00	366.00	394.50	393.00	390.60	384.78	390.00
Transportation to feedlot–400 miles	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28
Corn (45 bu)	102.60	102.60	102.60	102.60	107.10	104.85	88.65	72.90	62.10	59.40	64.80	66.60
Silage (1.7 tons)	34.67	34.39	33.97	33.97	33.55	32.71	27.97	24.57	23.23	22.44	24.72	25.34
Protein supplement (270 lb)	32.00	31.05	31.05	31.86	31.86	31.86	31.86	31.86	31.86	32.94	32.94	32.94
Hay (400 lb)	10.90	10.70	10.70	10.40	9.50	9.20	8.00	7.70	8.20	8.00	8.90	9.10
Total feed costs	180.16	178.74	178.02	178.83	182.01	178.62	156.48	137.03	125.39	122.78	131.36	133.98
Labor (4 hours)	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72
Management (1 hr.) 2/	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86
Vet Medicine 3/	5.27	5.26	5.26	5.21	5.21	5.21	5.21	5.21	5.21	5.12	5.12	5.12
Interest on purchase (6 months)	23.68	23.78	24.09	22.44	22.47	21.76	21.59	23.28	23.19	22.07	21.74	22.04
Power, equip., fuel, shelter, deprec. 3/	24.57	24.53	24.55	24.29	24.29	24.29	24.31	24.31	24.31	23.87	23.87	23.87
Death loss (1% of purchase)	3.73	3.75	3.79	3.62	3.62	3.51	3.66	3.95	3.93	3.91	3.85	3.90
Transportation (100 miles)	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31
Marketing expenses	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Miscellaneous & indirect costs 3/	10.63	10.61	10.62	10.50	10.45	10.50	10.51	10.51	10.51	10.32	10.32	10.32
Total	655.52	655.70	660.17	641.32	641.32	629.41	622.28	633.30	620.06	613.19	615.56	632.75
SELLING PRICE REQUIRED TO COVER:												
Feed and feeder costs (1,050 lb) $/cwt	52.68	52.69	53.08	51.50	51.85	50.44	49.76	50.62	49.37	48.89	49.16	49.90
All costs (1,050 lb) $/cwt	62.43	62.45	62.87	61.08	61.43	59.94	59.27	60.31	59.05	58.40	58.63	59.40
Feed cost per 100 lb gain (450 lb)$/cwt	40.04	39.72	39.56	39.74	40.45	39.69	34.77	30.45	27.86	27.28	29.19	29.77
Choice steers, Omaha (900–1100 lb) $/cwt	58.27	59.04	59.43	59.73	61.54	59.82						
Net margin $/cwt	-4.16	-3.41	-3.44	-1.35	.11	-.12						
PRICES:												
Feeder steer, Choice (600–700 lb)												
Kansas City $/cwt	62.16	62.42	63.22	60.32	60.40	58.50	61.00	65.75	65.50	65.10	64.13	65.00
Corn $/bu 4/	2.28	2.28	2.28	2.28	2.38	2.33	1.97	1.62	1.38	1.32	1.44	1.48
Hay $/ton 4/	54.50	53.50	52.00	52.00	47.50	46.00	40.00	38.50	41.00	40.00	44.50	45.50
Corn silage $/ton 5/	20.39	20.23	19.98	19.98	19.74	19.24	16.45	14.45	13.67	13.20	14.54	14.91
Protein supplement (32–36%) $/cwt	11.85	11.50	11.50	11.80	11.80	11.80	11.80	11.80	11.80	12.20	12.20	12.20
Farm labor $/hour	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93
Interest rate, annual	12.70	12.70	12.70	12.40	12.40	12.40	11.80	11.80	11.80	11.30	11.30	11.30
Transportation rate $/cwt. per 100 miles 7/	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Marketing expenses $/cwt 8/	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Index of prices paid by farmers (1910–14=100)	1121.00	1119.00	1120.00	1108.00	1108.00	1108.00	1109.00	1109.00	1109.00	1089.00	1089.00	1089.00

1/ Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individuals for management, production level, and locality of operation. Revisions have been made per annual Agricultural Prices. 2/ Assumes 1 hour at twice the labor rate. 3/ Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. 4/ Average price received by farmers in Iowa and Illinois. 5/ Corn silage price derived from an equivalent price of 5 bushels corn and 330 lb hay. 6/ Average price paid by farmers in Iowa and Illinois. 7/ Converted from cents/mile for a 44,000-pound haul. 8/ Yardage plus commission fees at a Midwest terminal market. *Preliminary.

1987. However, already-strong feeder cattle prices are likely to result in narrower feeding margins when cattle placed on feed during first-half 1987 are marketed during the second half, in competition with large total meat supplies at relatively lower prices.

Utility cow prices are likely to follow a pattern similar to feeder cattle. Prices should remain strong in the first half but decline somewhat in the second half, although staying above a year earlier. Increased herd retention could drop cow slaughter more than expected, but large supplies of lower priced processing meats will be strongly competitive with cow beef, particularly in second-half 1987 and in 1988.

Beef Consumption and Prices

Per capita beef supplies expanded fairly continuously from 76.5 pounds in 1980 to about 80 pounds in 1986. Per capita supplies are likely to decline 5 to 7 pounds in 1987, as herd liquidation ends and inventories begin to stabilize.

Retail prices for Choice beef averaged $2.31 a pound in 1986, down from $2.33 in 1985. Prices rose from $2.27 during the spring to $2.35 in December. For 1987, prices may rise 3 to 5 percent, but still average only near the $2.38 to $2.42 of the early 1980's. Retail prices are likely to rise only moderately in 1987 due to large supplies of competing meats at relatively lower prices. The farm-to-retail spread is expected to tighten because the retail price increases typically lag fed cattle price increases.

Beef and Cattle Trade Increases

Beef exports in 1986 increased 55 percent from 1985, with exports to Japan and Brazil jumping sharply. Brazil has purchased nearly all of the 200 million pounds to be exported under the Food Security Act of 1985. However, only about 90 million pounds were actually shipped to Brazil in 1986 (compared with no exports in 1985). Obviously, shipments to Brazil will remain sizable in 1987 as the remainder of the beef purchased is exported. Although purchases were completed in January, transportation problems in both the United States and Brazil have slowed actual beef shipments to Brazil.

Table 13--Imports of feeder cattle, calves and hogs from Canada and Mexico

Year and month	Feeder cattle and calves: Canada	Feeder cattle and calves: Mexico	Hogs: Canada
		Number	
1984 1/			
Jan.	13,599	113,941	92,407
Feb.	21,982	93,813	87,962
Mar.	25,415	70,945	94,035
Apr.	34,335	27,318	114,760
May	33,653	14,051	97,358
June	28,730	1,799	117,160
July	39,067	15,055	137,082
Aug.	35,307	415	120,698
Sept.	35,999	10,896	90,282
Oct.	32,490	2,885	116,121
Nov.	26,372	533	112,086
Dec.	22,138	38,531	142,064
Total	349,087	390,185	1,322,015
1985 1/			
Jan.	16,447	59,670	184,294
Feb.	32,962	4,416	142,330
Mar.	64,416	4,767	213,490
Apr.	53,996	4,303	89,183
May	34,615	15,684	124,521
June	21,872	26,073	108,799
July	13,124	21,278	108,483
Aug.	13,343	16,105	65,195
Sept.	13,963	16,884	48,421
Oct.	18,039	4,147	37,371
Nov.	28,747	101,638	38,630
Dec.	26,798	201,513	65,854
Total	338,320	476,478	1,226,571
1986 1/			
Jan.	23,604	142,416	70,480
Feb.	27,346	75,302	47,021
Mar.	24,181	77,763	29,067
Apr.	20,536	54,507	33,260
May	21,734	102,787	25,128
June	18,511	41,353	38,926
July	25,485	53,808	81,333
August	18,084	35,650	51,789
September	16,122	20,333	41,133
October	9,404	11,957	32,937
November	13,938	203,827	21,013
December	8,108	265,630	28,867
Total	227,053	1,085,333	500,967

1/ Revised.

While exports under the DTP are important, the longer term export expansion since 1976 has been even more dramatic. Exports rose from 87 million pounds in 1976 to 507 million in 1986. Japan is the largest importer; in 1986, it purchased 307 million pounds, 36 percent more than in 1985 and over 60 percent of total U.S. beef exports. Strength in the Japanese yen relative to the dollar will make U.S. beef more attractive this year, even as prices rise modestly. Further

export gains are likely but they will be restrained by the Japanese quota system.

Beef imports are expected to rise modestly in 1987. The meat import trigger remains unchanged from the 1986 level at 1,440 million pounds, product weight. Under current estimates, imports are expected to remain below the trigger level, and well below the large volumes that occurred in the late 1970's under the old law.

Cattle imports in 1986 were a record 1,335,000 head, up nearly half a million from 1985. Strengthening demand by U.S. stocker operations and feedlots as domestic feeder cattle supplies declined resulted in stronger prices and increased interest in cattle from Mexico, the primary foreign supplier. In addition, the U.S. dollar remains very strong relative to the Mexican and Canadian currencies. The Mexican Government has increased the feeder cattle export quota to 1,070,000 head for September-August 1986/87, up from 964,600 a year earlier. About 908,000 head were imported in 1985/86 and imports this year may remain near this level.

Imports from Mexico increased sharply in November and December from year-earlier levels, and they are likely to remain large for the next couple of months. These imports are mainly steer calves for stocker-feedlot operations. Most of these calves are placed on native or wheat pastures until late winter to early spring, when many enter feedlots. While the quality of these calves has improved, they are still poorer quality and tend to be fed for shorter periods.

U.S. cattle exports in 1986 declined from 1985, but remained the second highest since 1978. Most of the U.S. exports are higher valued breeding stock. Poor economic conditions in Mexico and the weak peso likely held down U.S. exports in 1986, and this may continue in 1987.

Sheep and Lambs

Returns to sheep and lamb producers improved in 1986 over 1985 because of reduced feed costs and higher animal prices. Producer returns should improve again in 1987, as prices are expected to remain at 1986 levels and feed costs to decline further. Larger stock sheep inventories reflect increasing returns and the excellent forage conditions in most sheep-producing areas.

Inventories Increase Moderately

The inventory of all sheep and lambs on farms January 1, 1987, totaled 10.33 million head, up 3 percent from a year earlier. This is the first increase in inventory numbers since 1982. Ewes 1 year old and older were even with a year ago, at 6.84 million head. The ewe lamb inventory increased 24 percent to 1.3 million head. The 1986 lamb crop was down 1 percent from a year ago, at 7.35 million head. Breeding ewes 1 year old and older on January 1 were down 6 percent from a year earlier. The 1986 lambing rate was 108 lambs per 100 ewes, as compared with 103 in 1985 and 99 in 1984. This lambing rate is the highest on record.

Based on the January 1 inventory and the 1986 lamb crop, commercial slaughter for 1987 is expected to be down 1 to 3 percent from 1986's 5.63 million head. The lower lamb crop and the expected 1987 expansion in breeding animals account for the decline in slaughter. The average dressed weight is expected to remain at 59 pounds, about the same as in 1986. Commercial production should decrease to about 325 million pounds, down 1 percent from 1986. Mature sheep accounted for 5.7 percent of total slaughter in 1986, down from 6.7 in 1985 and 7.8 in 1984. Mature sheep slaughter should remain at or

Table 14--Sheep: Number by classes, United States, January 1, 1984-86

Class	1985	1986	1987	1987/1986
	- - 1,000 head - -			Percent
All sheep and lambs 1/	10,443	9,983	10,328	+3
On feed	1,596	1,492	1,504	+1
Stock sheep	8,847	8,491	8,824	+4
Lambs				
Ewes	1,016	1,048	1,296	+24
Wethers and rams	284	318	367	+15
One year old and older:				
Ewes	7,233	6,817	6,841	0
Wethers and rams	314	310	320	+3

1/ New-crop lambs are not included in sheep and lamb inventory estimates.

Table 15--Balance sheet for sheep and lambs, United States

Year	On farms Jan. 1	Lamb crop	Net exports	Total slaughter	Deaths	Adjustment factor	On farms Dec. 31
				1,000 head			
1980	12,699	8,257	103	5,742	1,920	-244	12,947
1981	12,947	8,820	214	6,197	1,853	-506	12,997
1982	12,997	8,580	271	6,643	1,875	-648	12,140
1983	12,140	8,209	213	6,792	1,608	-249	11,487
1984	11,487	7,788	301	6,900	1,724	+90	10,443
1985	10,443	7,412	338	6,300	1,383	+150	9,983
1986	9,983	7,349	100	5,762	1,414	+150	10,328
1987	10,328						

slightly below 1986 levels in 1987 as producers continue to expand.

Choice slaughter lamb prices in 1987 are expected to average in the low to middle $70's per cwt. Slaughter lamb prices in San Angelo averaged $69.46 in 1986, up about a dollar from 1985. Slaughter lamb prices are expected to average $72-$74 in the first quarter of 1987 and then rise seasonally in the second quarter to $75-$79.

Sheep Numbers Increase East of the Rockies

The inventory of sheep and lambs increased in all regions except the West. The decline in the West was due to the 8-percent decline in California. The largest producer, Texas, increased 7 percent over 1986, as forage conditions improved in the Edwards Plateau area. States in the Southeast--Virginia, North Carolina, Tennessee, Kentucky, and West Virginia--were up 13 percent. This was due in part to increased demand from a slaughter facility which opened in 1985 in Virginia. The North Central States showed an increase of 7 percent over 1986 numbers. The State data indicate that most of the expansion in sheep numbers occurred east of the Rocky Mountains.

Lamb Imports Increase Slightly

Lamb and mutton imports in 1986 increased 8 percent above a year earlier, totaling 39 million pounds. About 60 percent of this lamb and mutton came from Australia. Australia replaced New Zealand as the largest exporter to the United States. Lamb and mutton imports are expected to remain at or

Table 16--Commercial sheep and lamb slaughter 1/ and production

Year	Lambs and year-lings	Mature sheep	Total 2/	Average dressed weight	Commer-cial produc-tion 2/
	- - 1,000 head	- -		Pounds	Mil lb
1982:					
I	1,521	81	1,602	56	90
II	1,406	131	1,537	55	85
III	1,500	128	1,628	54	88
IV	1,555	127	1,681	55	93
Year	5,982	467	6,449	55	356
1983:					
I	1,533	91	1,624	57	93
II	1,441	135	1,576	56	89
III	1,597	142	1,739	54	94
IV	1,555	125	1,680	54	91
Year	6,126	493	6,619	55	367
1984:					
I	1,611	104	1,715	57	98
II	1,544	162	1,706	54	92
III	1,513	146	1,659	53	88
IV	1,559	119	1,678	55	93
Year	6,227	531	6,758	55	371
1985:					
I	1,539	90	1,629	57	93
II	1,363	118	1,481	56	83
III	1,403	114	1,417	56	85
IV	1,460	92	1,551	59	91
Year	5,765	414	6,078	228	352
1986:					
I	1,438	72	1,510	60	89
II	1,246	97	1,342	58	78
III	1,322	80	1,402	57	80
IV	1,305	72	1,377	59	81
Year 3/	5,311	321	5,632	59	328

1/ Class estimated. 2/ May not add due to rounding. 3/ Preliminary.

Table 17—Hogs and pigs balance sheet

Year	Dec. 1 Inventory 1/	Dec.-May pig crop 1/	Total supply	Commercial slaughter Dec. 84-May 85	Other disappearance 2/	June 1 Inventory	June-Nov. pig crop	Total supply	Commercial slaughter June-Nov.	Other disappearance 2/
					1,000 head					
1964	62,060	47,682	109,742	43,776	6,189	59,777	39,862	99,639	39,285	4,248
1965	56,106	42,526	98,632	40,579	5,085	52,968	36,415	89,383	35,081	3,783
1966	50,519	45,471	95,990	35,331	4,462	56,197	42,132	98,329	37,238	3,966
1967	57,125	48,117	105,242	41,803	4,073	59,366	43,551	102,917	40,381	3,718
1968	58,818	49,077	107,895	43,093	4,271	60,531	45,078	105,609	41,652	3,128
1969	60,829	46,521	107,350	44,015	4,608	58,727	42,155	100,882	40,287	3,549
1970	57,046	52,126	109,172	40,749	3,784	64,639	49,588	114,227	43,326	3,616
1971	67,285	51,918	119,203	49,087	4,398	65,718	46,006	111,724	45,908	3,404
1972	62,412	47,523	109,935	45,108	4,201	60,626	43,051	103,677	41,203	3,457
1973	59,017	46,125	105,142	40,292	5,279	59,571	41,998	101,569	36,878	4,077
1974	60,614	44,792	105,406	41,183	5,345	58,878	38,952	97,830	40,194	2,943
1975	54,693	35,530	90,223	37,854	4,509	47,860	35,656	83,516	31,666	2,583
1976	49,267	42,177	91,444	34,691	2,823	53,930	42,218	96,148	38,051	3,163
1977	54,934	42,960	97,894	39,435	3,999	54,460	43,202	97,662	38,219	2,904
1978	56,539	42,481	99,020	38,947	4,833	55,240	46,031	101,271	38,462	2,453
1979	60,356	50,551	110,907	41,217	4,617	65,020	52,241	117,261	46,627	3,316
1980	67,318	52,288	119,606	49,294	5,057	65,255	49,432	114,687	46,216	4,009
1981	64,462	47,605	112,067	47,503	4,824	59,740	46,248	105,988	43,991	3,299
1982	58,698	41,575	100,273	43,938	4,075	52,260	43,614	95,874	39,646	1,694
1983	54,534	47,409	101,943	41,516	2,482	57,945	45,746	103,691	45,146	1,851
1984	56,694	42,403	99,097	44,147	2,135	52,815	44,183	96,998	41,840	1,085
1985	54,073	42,545	96,618	42,814	1,554	52,250	43,484	95,734	41,771	1,650
1986	52,313	40,313	92,626	41,484	2,497	48,645	41,970	90,615	38,127	1,528
1987	50,960	41,133	3/92,093							

1/ December previous year. 2/ Includes imports, exports, death loss, farm slaughter, etc. 3/ Based on farrowing intentions.

slightly above 1986 levels in 1987. New Zealand exporters face a countervailing duty of NZ$0.362 per pound. This duty was set in September 1985 and continues in 1987.

Hogs

The December *Hogs and Pigs* report indicated that producers continued to reduce their herds through last fall, when returns over total costs were the highest since 1982. This behavior may be partly explained by the fact that producers' returns were relatively low during 1983–85. In addition, many producers operating mixed livestock–crop farms suffered low returns from crop enterprises, further adding to financial problems. This prolonged period of low returns and related financial problems is expected to continue tempering expansion plans.

As of December 1, producers in the 10 quarterly reporting States indicated intentions to have about the same number of sows farrow in December–February as a year earlier. If the intentions are realized, this would be the first quarter without a year–over–year decline since June–August 1983. Producers plan to increase the number of sows farrowing in March–May by 2 percent over a year ago. This planned increase is the first indication of a breeding herd expansion, which many analysts expected to begin last fall. Based on the December 1 market hog inventory and farrowing intentions, commercial pork production is expected to be about 2 percent below a year ago in first–half 1987, then rise about 5 percent above a year earlier in the second half.

Inventory Declines

The inventory of all hogs and pigs in the United States on December 1 totaled 51.0 million head, down 3 percent from a year earlier and the lowest December 1 inventory since 1975. The breeding inventory, at 6.61 million head, was 3 percent below a year earlier and the lowest number since breeding inventory estimates began in 1963. The market hog inventory totaled 44.3 million head, down 3 percent from a year earlier and the least since 1975. In 1986, the pig crop totaled 82.3 million head, down 4 percent from 1985. The number of farrowings totaled 10.66 million head, down 5 percent from 1985, while pigs per litter increased 1 percent. In each quarter of 1986, pigs per litter reached a record high, largely because of better management practices, genetics, and the continued exit of smaller and less efficient producers.

Breeding Inventory Addition

The 10–State breeding hog inventory

Table 18--Hogs on farms December 1, farrowings and pig crops, United States

Item	1985	1986	1987	1985/86	1986/87
	------- 1,000 head -------			-- Percent change --	
Inventory	52,313	50,960		-3	
Breeding	6,783	6,612		-3	
Market	45,530	44,349		-3	
Under 60 lb	17,301	16,956		-2	
60-119 lb	11,700	11,153		-5	
120-179 lb	9,320	9,071		-3	
180 + lb	7,210	7,168		-3	
Sows farrowing					
December 1/-February	2,543	2,443		-4	
March-May	3,027	2,793		-8	+2
December 1/-May	5,571	2/5,236	2/5,342	-6	
June-August	2,849	2,688		-6	
September-November	2,820	2,732		-3	
June-November	5,669	5,420		-4	
Pig crops 1/					
December 1/-February	19,101	18,513		-3	
March-May	23,444	21,800		-7	
December 1/-May	42,545	40,313	41,133	-5	+2
June-August	22,010	20,855		-5	
September-November	21,474	21,115		-2	
June-November	43,478	41,970		-3	
		Number			
Pigs per litter					
December 1/-February	7.51	7.58		1	
March-May	7.74	7.80		1	
December 1/-May	7.64	7.70	3/7.70	1	0
June-August	7.73	7.76		0	
September-November	7.62	7.73		1	
June-November	7.67	7.74		1	

1/ December preceding year. 2/ Intentions. 3/ Average number of pigs per litter with allowance for trend.

Table 19--Hogs on farms December 1, farrowings and pig crops, 10 States 1/

Item	1984	1985	1986	1987	1985/86	1986/87
	------ 1,000 head ------				--- Percent change ---	
December 1						
Inventory	42,420	41,100	39,670		-3	
Breeding	5,348	5,258	5,050		-4	
Market	37,072	35,842	34,620		-3	
Under 60 lb.	14,231	13,641	13,246		-3	
60-119 lb.	9,502	9,240	8,740		-5	
120-179 lb.	7,606	7,367	7,096		-4	
180 + lb.	5,733	5,594	5,538		-1	
March 1						
Inventory	40,070	39,680	38,210		-4	
Breeding	5,446	5,220	4,948		-5	
Market	34,624	34,460	33,262		-3	
Under 60 lb	12,437	12,701	12,350		-3	
60-119 lb	8,561	8,427	8,046		-5	
120-179 lb	7,769	7,580	7,276		-4	
180 + lb	5,857	5,752	5,590		-3	
June 1						
Inventory	41,915	41,650	38,845		-9	
Breeding	5,771	5,397	4,840		-10	
Market	36,144	36,253	33,005		-9	
Under 60 lb	15,437	15,168	13,775		-9	
60-119 lb	9,187	9,100	8,275		-9	
120-179 lb	6,361	6,545	6,170		-6	
180 + lb	5,159	5,440	4,785		-12	
September 1						
Inventory	43,180	41,820	39,335		-6	
Breeding	5,550	5,377	4,840		-10	
Market	37,630	36,443	34,495		-5	
Under 60 lb	14,957	14,630	13,725		-6	
60-119 lb	9,209	8,820	8,380		-5	
120-179 lb	7,835	7,406	7,020		-5	
180 + lb	5,629	5,587	5,370		-4	
Sows farrowing						
December-February	1,964	1,955	1,863	3/1,872	-5	0
March-May	2,481	2,420	2,161	3/2,210	-11	2
December-May	4,445	4,375	4,024	3/4,082	-8	1
June-August	2,259	2,191	2,034		-7	
September-November	2,316	2,265	2,150		-5	
June-November	4,575	4,456	4,184		-6	
Pig crops						
December 2/-February	14,288	14,690	14,254		-3	
March-May	18,814	18,762	16,878		-10	
December 2/-May	33,102	33,452	31,132		-7	
June-August	17,158	16,941			-6	
September-November	17,420	17,255			-3	
June-November	34,578	34,196			-5	
		Number				
Pigs per litter						
December 2/-February	7.27	7.51	7.65		+2	
March-May	7.58	7.75	7.81		+1	
December 2/-May	7.45	7.65	7.74		+1	
June-August	7.60	7.73	7.79		+1	
September-November	7.52	7.62	7.78		+2	
June-November	7.56	7.67	7.79		+2	

1/ Georgia, Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Carolina, Ohio.
2/ December preceding year. 3/ Intentions.

balance sheet indicates a significant retention of gilts. Between September 1 and December 1, producers in the 10 quarterly reporting States added 210,000 head to the breeding inventory. The September–November gilt retention as a percentage of the September breeding inventory was 18.4 percent, the largest since 1980.

The implication of the large addition of gilts for sows in the breeding herd is that the continued increase in pigs per litter may plateau or decline—perhaps in the March–May quarter. However, as the breeding herd matures, pigs per litter may once again increase. The September–November quarter marked the tenth consecutive quarterly increase in pigs per litter.

Although hog prices are expected to average lower in 1987 than in 1986, producers are likely to have relatively good returns, especially if feed costs remain low. In past cycles, returns of the magnitude seen the last 6 to 8 months would have triggered a double-digit increase in the pig crop by the March–May quarter. However, producers are taking a more cautious approach to expansion, probably due to financial constraints and the prolonged prior period of low returns. Even if producers have more sows farrow than indicated by current intentions, the increase will likely be below the double-digit level.

Because of the time needed by larger producers to plan, raise capital, build, and hire help in order to bring facilities on line, the expansion phase of this hog cycle is likely to show a slower rate of growth, but last longer than previous cycles. Also, once facilities are in place, larger producers with lower cost of production will continue to produce near capacity if returns fall below total costs but exceed cash costs. This could result in a more modest contraction than normal if returns drop significantly.

Table 20--Hogs and pigs, breeding inventory and sow slaughter, United States 1/

Item	1984	1985	1986	1987
	1,000 head			
December 1 breeding 2/	7,391	6,933	6,783	6,612
December-May sow slaughter	2,083	1,918	1,865	
Gilts added December-May	2,093	1,982	1,472	
June 1 breeding	7,401	6,997	6,390	
June-November sow slaughter	2,355	2,109	1,890	
Gilts added June-November	1,887	1,895	2,112	

1/ Estimated commercial. 2/ December previous year.

Pork Production
To Increase Slightly in 1987

Hog slaughter in the first quarter is drawn largely from the December 1 market hog inventory weighing 60–179 pounds, which decreased 4 percent from a year earlier.

Table 21--Sow slaughter balance sheet, 10 States

Item	1984	1985	1986	1987
	Million head			
December 1 breeding 1/	5.6	5.3	5.3	5.0
December-February				
Comm. sow slaughter 2/	.8	.8	.8	
Gilts added	.6	.7	.4	
March 1 breeding	5.4	5.2	4.9	
March-May				
Comm. sow slaughter 2/	.7	.7	.6	
Gilts added	1.1	.9	.5	
June 1 breeding	5.8	5.4	4.8	
June-August				
Comm. sow slaughter 2/	.9	.8	.7	
Gilts added	.7	.8	.7	
September 1 breeding	5.6	5.4	4.8	
September-November				
Comm. sow slaughter	.9	.8	.7	
Gilts added	.6	.7	.9	

1/ December previous year. 2/ 75 percent of estimated U.S. commercial sow slaughter.

Table 22--Winter pig crop and hog slaughter

Year	Pig crop Dec.- Feb.	Commercial hog slaughter, July-Sept.	Slaughter as percent of pig crop
	1,000 head		Percent
1980	23,685	22,158	93.6
1981	21,045	21,277	101.1
1982	18,759	18,940	101.0
1983	20,877	21,373	102.4
1984	18,757	19,495	103.9
1985	19,101	20,556	107.6
1986	18,513	18,573	100.3

Table 23--Spring pig crop and hog slaughter

Year	Pig crop March-May	Commercial hog slaughter, Oct.-Dec.	Slaughter as percent of pig crop
	1,000 head		Percent
1980	28,603	24,641	86.1
1981	26,560	24,026	90.5
1982	22,816	20,825	91.3
1983	26,532	24,334	91.7
1984	23,646	22,742	96.2
1985	23,444	21,721	92.7
1986	21,800	20,271	93.0

Table 24--Summer pig crop and hog slaughter, 1980-86

Year	Pig crop June-Aug.	Commercial hog slaughter Jan.-Mar. 1/	Slaughter as percent of pig crop
	- - 1,000 head - -		Percent
1980	24,417	23,678	97.0
1981	23,548	21,714	92.2
1982	21,383	20,212	94.5
1983	23,361	21,806	93.3
1984	22,346	20,871	93.4
1985	22,010	20,347	92.4
1986	20,855		

1/ January-March of the following year.

Table 25--Fall pig crop and hog slaughter, 1980-86

Year	Pig crop Sept.-Nov.	Commercial hog slaughter Apr.-June 1/	Slaughter as percent of pig crop
	- - 1,000 head - -		Percent
1980	25,015	22,594	90.3
1981	22,700	20,712	91.2
1982	22,231	21,666	97.5
1983	22,385	21,124	94.4
1984	22,837	21,343	93.5
1985	21,474	20,313	94.6
1986	21,115		

1/ April-June of the following year.

Table 26--Federally inspected hog slaughter

Week ended	1985	1986	1987
		Thousands	
Jan. 1 1/	1,238	1,153	1,069
5	1,295	1,250	1,258
12	1,679	1,635	1,683
19	1,615	1,654	1,659
26	1,528	1,563	1,526
Feb. 2	1,565	1,506	1,500
9	1,582	1,526	
16	1,508	1,512	
23	1,539	1,501	
Mar. 2	1,608	1,606	
9	1,635	1,635	
16	1,638	1,650	
23	1,647	1,556	
30	1,642	1,579	
Apr. 6	1,569	1,518	
13	1,623	1,633	
20	1,676	1,651	
27	1,662	1,619	
May. 4	1,702	1,637	
11	1,699	1,606	
18	1,705	1,560	
25	1,580	1,518	
June 1	1,361	1,307	
8	1,592	1,471	
15	1,561	1,459	
22	1,535	1,373	
29	1,476	1,329	
July 6	1,171	1,118	
13	1,523	1,390	
20	1,427	1,345	
27	1,400	1,280	
Aug. 3	1,474	1,312	
10	1,556	1,338	
17	1,524	1,367	
24	1,531	1,385	
31	1,601	1,419	
Sept. 7	1,429	1,257	
14	1,690	1,492	
21	1,667	1,504	
28	1,681	1,503	
Oct. 5	1,644	1,515	
12	1,686	1,546	
19	1,620	1,517	
26	1,654	1,538	
Nov. 2	1,668	1,565	
9	1,654	1,561	
16	1,654	1,519	
23	1,697	1,549	
30	1,328	1,308	
Dec. 7	1,656	1,530	
14	1,566	1,549	
21	1,655	1,491	
28	1,153	1,069	

1/ Corresponding dates-1985: December 29, 1984; 1986 December 28, 1985; December 27, 1986.

Table 27--Breeding inventory, December 1 and June 1, and sow farrowings, by quarter, United States

Year	Breeding inventory Dec. 1 1/	Sows farrowed: December-February, Number	Sows farrowed: December-February, Percentage of Dec. 1 breeding	Sows farrowed: March-May, Number	Sows farrowed: March-May, Percentage of Dec. 1 breeding	Breeding inventory June 1	Sows farrowed: June-August, Number	Sows farrowed: June-August, Percentage of June 1 breeding	Sows farrowed: September-November, Number	Sows farrowed: September-November, Percentage of June 1 breeding
	- - 1,000 head - -		Percent	1,000 head	Percent	- - 1,000 head - -		Percent	1,000 head	Percent
1970	9,189	2,718	29.6	4,389	47.8	10,630	3,476	32.7	3,400	32.0
1971	9,645	2,984	30.9	4,253	44.1	9,748	3,211	32.9	3,128	32.1
1972	8,475	2,627	31.0	3,871	45.7	9,147	3,001	32.8	2,972	32.5
1973	8,650	2,678	31.0	3,760	43.5	8,988	2,957	32.9	2,912	32.4
1974	8,605	2,652	30.8	3,663	42.6	8,823	2,859	32.4	2,617	29.7
1975	7,309	2,159	29.2	2,814	38.1	7,358	2,507	34.1	2,445	33.2
1976	7,574	2,456	32.4	3,321	43.8	8,388	2,965	35.3	2,885	34.4
1977	8,011	2,742	34.2	3,308	41.3	8,688	3,087	35.5	2,922	33.6
1978	8,604	2,752	32.0	3,282	38.1	8,857	3,176	35.9	3,222	36.4
1979	9,605	3,183	33.1	3,993	41.6	10,368	3,766	36.3	3,556	34.3
1980	9,645	3,317	34.4	3,913	40.6	9,481	3,410	36.0	3,445	36.3
1981	9,118	2,914	32.0	3,526	38.7	8,358	3,197	38.3	3,071	36.7
1982	7,844	2,627	33.5	3,037	38.7	7,414	2,891	39.0	2,993	40.4
1983	7,475	2,808	37.6	3,494	46.7	8,113	3,174	39.1	3,003	37.0
1984	7,391	2,563	34.7	3,131	42.4	7,401	2,955	39.9	2,902	39.2
1985	6,933	2,543	36.7	3,027	43.7	6,997	2,849	40.7	2,820	40.3
1986	6,783	2,443	36.0	2,793	41.2	6,390	2,688	42.1	2,732	42.8
1987	6,612									

1/ Previous year.

Table 28--Corn Belt hog feeding: Selected costs at current rates 1/

Purchased during: / Marketed during:	Nov. '85 Mar.	Dec. Apr.	Jan. '86 May	Feb. June	Mar. July	Apr. Aug.	May Sept.	June Oct.	July Nov.	Aug. Dec.	Sept. Jan.	Oct. Feb.	Nov. Mar.	Dec. Apr.	Jan. May
EXPENSES: ($/head)															
40-lb feeder pig	31.67	28.65	30.96	37.26	41.33	37.98	39.97	41.92	50.76	65.44	59.63	53.23	50.00	47.69	50.00
Corn (11 bu)	24.09	24.53	25.08	25.08	25.08	25.08	26.18	25.63	21.67	17.82	15.29	14.52	15.84	16.28	15.40
Protein supplement (130 lb)	16.51	16.45	16.90	16.71	16.90	17.03	17.03	17.03	17.16	17.16	17.16	17.16	17.16	17.16	17.29
Total feed	40.60	40.98	41.98	41.79	41.98	42.11	43.21	42.66	38.83	34.98	32.45	31.68	33.00	33.44	32.69
Labor & management (1.3 hr) 2/	11.13	11.13	11.13	11.13	11.13	11.02	11.02	11.02	10.92	10.92	10.92	10.61	10.61	10.61	10.61
Vet medicine 3/	2.66	2.64	2.66	2.65	2.65	2.63	2.63	2.63	2.63	2.63	2.63	2.58	2.58	2.58	2.59
Interest on purchase (4 months)	1.35	1.22	1.31	1.58	1.75	1.57	1.65	1.73	2.00	2.22	2.35	2.00	1.88	1.80	1.85
Power, equip., fuel, shelter depreciation 3/	6.46	6.43	6.46	6.45	6.45	6.38	6.38	6.38	6.39	6.39	6.39	6.27	6.27	6.27	6.28
Death loss (4% of purchase)	1.27	1.15	1.24	1.49	1.65	1.52	1.60	1.68	2.03	2.26	2.39	2.13	2.00	1.91	2.00
Transportation (100 miles)	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48	.48
Marketing expenses	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Miscell. & indirect costs 3/	.66	.66	.66	.66	.66	.65	.65	.65	.65	.65	.65	.64	.64	.64	.64
Total	97.41	94.47	98.01	104.62	109.23	105.48	108.74	110.30	115.83	118.11	119.02	110.77	108.61	106.56	108.28
SELLING PRICE REQUIRED TO COVER: ($/cwt)															
Feed and feeder costs (220 lb)	32.85	31.65	33.15	35.93	37.87	36.40	37.81	38.45	40.72	41.55	41.85	38.60	37.73	36.88	37.59
All costs (220 lb) $/cwt	44.28	42.94	44.55	47.55	49.65	47.95	49.43	50.13	52.65	53.69	54.10	50.35	49.37	48.44	49.22
Feed cost per 100-lb gain (180 lb)	22.56	22.75	23.32	23.21	23.32	23.39	24.01	23.70	21.57	19.43	18.03	17.60	18.33	18.58	18.16
Barrows and gilts 7 market $/cwt	40.88	40.27	46.91	54.50	60.99	63.39	59.01	54.21	53.62	51.42	47.39				
Net margin $/cwt	-3.40	-2.67	2.36	6.95	11.34	15.44	9.58	4.08	.97	-2.27	-6.71				
PRICES:															
40-lb feeder pig (So. Missouri) $/head	31.67	28.65	30.96	37.26	41.33	37.98	39.97	41.92	50.76	56.44	59.63	53.23	50.00	47.69	50.00
Corn $/bu 3/	2.19	2.23	2.28	2.28	2.28	2.28	2.38	2.33	1.97	1.62	1.39	1.32	1.44	1.48	1.40
Protein supp. (38-42%) $/cwt 4/	12.70	12.65	13.00	12.85	13.00	13.10	13.10	13.10	13.20	13.20	13.20	13.20	13.20	13.20	13.30
Labor & management $/hr 6/	8.56	8.56	8.56	8.56	8.56	8.48	8.48	8.48	8.40	8.40	8.40	8.16	8.16	8.16	8.16
Interest rate (annual)	12.79	12.79	12.70	12.70	12.70	12.40	12.40	12.40	11.80	11.80	11.80	11.30	11.30	11.30	11.10
Transportation rate $/cwt (100 miles) 7/	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22	.22
Marketing expenses $/cwt 8/	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Index of prices paid by farmers (1910-14=100)	1121.00	1116.00	1121.00	1119.00	1120.00	1108.00	1108.00	1108.00	1109.00	1109.00	1109.00	1089.00	1089.00	1089.00	1091.00

1/ Although a majority of hog feeding operations in the Corn Belt are from farrow to finish, relative fattening expenses will be similar. Costs represent only what expenses would be if all selected items were paid for during the period indicated. The feed rations and expense items do not necessarily coincide with the experience of individual feeders. For individual use, adjust expenses and prices for management, production level, and locality of operation. Revisions have been made per annual Agricultural Prices. 2/ Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. 3/ Average price received by farmers in Iowa and Illinois. 4/ Average prices paid by farmers in Iowa and Illinois. 5/ Assumes an owner-operator receiving twice the farm labor rate. 6/ Converted from cents/mile for a 44,000-pound haul. 7/ Yardage plus commission fees at a Midwest terminal market. *Preliminary.

Table 29--Commercial hog slaughter 1/ and production

Year	Barrows and gilts	Sows	Boars	Total 2/	Average dressed weight	Commercial production 2/
		- - - 1,000 head - - -			Pounds	Million pounds
1983:						
I	19,141	852	219	20,212	172	3,483
II	20,267	1,053	246	21,666	174	3,771
III	19,648	1,450	274	21,372	171	3,657
IV	22,808	1,291	235	24,334	173	4,206
Year	81,864	4,646	974	87,584	173	15,117
1984:						
I	20,548	1,024	234	21,806	171	3,738
II	19,885	989	249	21,123	174	3,670
III	18,072	1,184	240	19,496	172	3,355
IV	21,310	1,197	236	22,743	174	3,957
Year	79,815	4,394	959	85,168	173	14,720
1985:						
I	19,726	927	217	20,871	173	3,618
II	20,171	947	225	21,343	175	3,743
III	19,260	1,075	222	20,556	173	3,553
IV	20,445	1,065	211	21,721	176	3,814
Year	79,602	4,015	875	84,491	174	14,728
1986: 3/						
I	19,240	920	187	20,347	175	3,565
II	19,221	896	196	20,313	176	3,567
III	17,364	999	210	18,573	174	3,237
IV	19,165	926	180	20,271	178	3,614
Year	74,990	3,741	773	79,504	176	13,982

1/ Classes estimated. 2/ Totals may not add due to rounding. 3/ Preliminary.

Commercial slaughter in the first quarter is projected to be about 2 to 4 percent below a year ago. The projected slaughter as a percentage of both national and 10-State market hog inventories is 97 percent and 117 percent, respectively, about the same as in 1985 and 1986.

However, the slaughter as a percentage of the June-August pig crop is slightly higher than in the last 3 years--1 to 2 percentage points at the national level and 2 to 3 at the 10-State level. Because weights increased counter-seasonally in December, the average dressed weight is projected to be 2 to 4 pounds heavier in first-quarter 1987 than last year. As a result, commercial production is projected at 3,500 million pounds for the first quarter, down 2 percent from a year ago.

Slaughter in the second quarter is drawn largely from market hogs weighing under 60 pounds on December 1, which were down 2 percent from a year earlier. Commercial slaughter is projected to be 1 to 3 percent below a year earlier. The projected slaughter as a percentage of market hog inventory is about the same as last year, but higher than the 5-year average. The slaughter as a percentage of the September-November pig crop is about the same as the 5-year average at both the national and 10-State level. Average dressed weights are expected to be little heavier than a year earlier because the slaughter hog supply will be reduced and feed costs will be low. Commercial production in the second quarter is projected at 3,500 million pounds, down 2 percent from last year.

If the number of sows farrowing during December-May follows the December intentions and the number of pigs per litter remains near the record highs reached in 1986, the December-May pig crop will increase 2 to 3 percent. Based on the number of gilts added to the breeding herd, pigs per litter may increase from a year earlier in December-March, but remain about the same as a year before in March-May. If this pig crop is realized, commercial slaughter in second-half 1987 could be up about 4 to 6

percent. If the dressed weight remains about the same as last year, commercial production may total about 7,175 million pounds in second half-1987, up 5 percent from 1986.

Hog Prices May Average Slightly Below 1986

Unchanged year-over-year per capita pork supplies, along with sharply lower beef supplies and larger poultry supplies, should result in hog prices averaging near year-ago levels. For all of 1987, barrow and gilt prices at the 7 markets are expected to average near $50 per cwt, compared with $51 in 1986.

In first-quarter 1987, hog prices are expected to average $47 to $49 per cwt, compared with $43 in 1986. Prices averaged nearly $47.42 in January and rallied to about $50 per cwt in early February. Pork supplies are expected to tighten as production rates drop below a year earlier. Based on January slaughter rates and declining market weights of barrows and gilts, the barrow and gilt marketings have become more current. However, barrow and gilt market weights at the 7 markets in February were averaging 7 pounds above a year earlier and 10 pounds above the 5-year average for the month. According to projected slaughter rates based on the December 1 market hog inventory weighing 60-179 pounds, February and March slaughter rates should be moderately below last year.

Prices are expected to average $48 to $52 in the second quarter, when per capita red meat consumption may drop 7 to 8 percent below a year earlier. The price strength from lower red meat supplies will be offset in part by a rise of about 5 percent in per capita poultry consumption. Although ending 1986 pork stocks were the lowest since 1977, the normal price strength associated with lower stocks may be tempered by the expectation of larger pork production in the summer and, therefore, less incentive to buy and store pork for seasonally low production periods.

As pork production increases on a year-over-year basis in the third quarter, hog prices are expected to average in the low $50's per cwt, compared with $61 last year. In the fall, continuing increases are expected to drive hog prices down to the high $40's per cwt, compared with $53 in 1986.

Pork Product Imports Remain High

Imports of pork products during 1986 totaled 1,107 million pounds (carcass weight), down 2 percent from 1985. Imports from Canada accounted for 44 percent, up from 38 percent in 1985. Denmark, the second largest exporter, saw its market share decline from 38 to 33 percent. The market share changes can be partially attributed to currency exchange rates. The Canadian dollar remained steady against the United States dollar, while the Danish krone appreciated.

For all of 1987, U.S. pork imports are expected to total about the same as in 1986. Canada is expected to continue to increase its share. Live hogs imported from Canada during 1986 totaled 0.5 million head, down from 1.2 million in 1985, because of a countervailing duty. In 1987, live hogs from Canada may total 300,000 to 400,000 head.

Heavy Weights Pressure Prices

Barrow and gilt weights at the 7 markets averaged 250 pounds liveweight in December and January, up 2 pounds from November. Weights normally decline during this period. During 1973-1985, barrow and gilt weights dropped an average 3 pounds from November to December and a pound from December to January.

The upward movement in weights signaled a backup of market-ready hogs. The backup occurred along with the seasonal backup during the holidays. The backup was partially due to unseasonally warm weather in the North Central States in December; warm weather leads to higher rates of gain. In addition, feed costs were low, encouraging producers to feed hogs to heavier weights. In late December, packers began discounting heavy hogs. After the holidays, the slaughter rate rose above a year earlier. In addition, the average dressed weight rose, especially for barrows and gilts, adding to pork production.

As the backlog of market-ready hogs became apparent and the demand for Christmas hams slackened, barrow and gilt prices at the 7 markets dropped sharply. From early December to early January, barrow and gilt prices fell more than $6.00 per cwt. In late January, barrow and gilt average weights at the 7 markets dropped and slaughter rates

declined below a year earlier, signaling that marketings were becoming more current.

Prices in December averaged $51.42 per cwt, down $2.00 from November. Normally prices rally in December as weights lighten and slaughter rates decline from November levels. Complicating matters was the fact that in November and December, pork imports were above a year earlier, reversing the trend of lower year-to-year imports.

As weights lightened with colder weather over the North Central States (where 80 percent of the country's hogs are produced), prices rallied in late January and February. Frozen pork stocks continue to be relatively low, reducing the potential supply. These lower stocks may not, however, contribute much strength to current hog prices because the market is anticipating moderately larger pork production during the late spring and summer, when stocks are normally reduced by the larger seasonal demand.

Retail Pork Prices Sharply Higher in Second-Half 1986

Composite retail pork prices reached record highs in fourth-quarter 1986, averaging $1.93 a pound, up 30 cents from a year earlier. Prices were relatively low during first-half 1986, averaging $1.66 a pound. In the second half, retail prices rose steeply as live hog prices rallied sharply in the summer; retail prices averaged $1.89 a pound. Retail prices further increased in the fall, averaging $1.93 a pound, although hog prices declined seasonally. As a result, the farm-retail spread widened to $1.10 a pound in December--a record high. For all of 1986, the farm-retail spread averaged 96 cents per pound, up a nickel from 1985. The relatively wide spread should allow for some retail specials on pork without impacting adversely on hog prices.

In first-quarter 1987, retail prices are expected to decline from fourth-quarter 1986 and average $1.80 to $1.85 a pound. For the remainder of the year, prices may average in the middle $1.70's. For all of 1987 they are projected to average $1.75 to $1.80, compared with $1.78 in 1986. The farm-retail spread may average nearly a dollar a pound, up modestly from last year's 96 cents but down from the level in late 1986.

Eggs

Egg production in first-half 1987 will likely be at or slightly above 1986, primarily because of an increased rate of lay. Prices are expected to average below last year, as plentiful supplies compete with large supplies of other high-protein foods for the consumer's dollar.

Egg Production Nearly Even in 1987

More replacement pullets were added to the layer flocks in 1986. However, after sales of old hens, the number of layers on farms was nearly the same as the previous year. The large number of replacement pullets added during 1986 will provide a productive base for the laying flock in 1987. Continued sales of old hens in 1986 helped keep the rate of lay relatively high and suggests the rate of lay will continue high this year.

Egg producers have reduced their orders for replacement pullets to enter flocks in early 1987, suggesting that the number of hens in the flocks during 1987 will remain near 1986. Producers could force-molt more of their hens and keep them in the flocks longer if prices for eggs increase. When egg supplies increased slightly in April-June 1986, prices dropped below production costs and producers began to sell older hens extensively. Since then, egg producers appear to be maintaining supplies. Normally, declining costs and improving profits would encourage greater

California, Indiana Lead in Egg Production

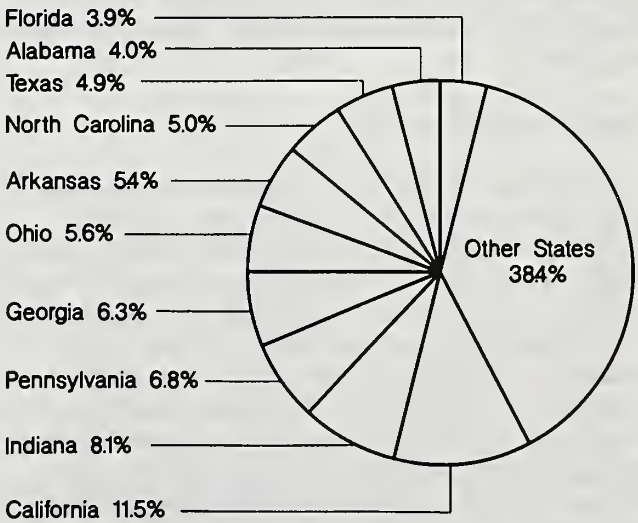


Table 30--Layers on farms and eggs produced, 1985-86 1/

Quarters	Number of layers		Eggs per layer		Eggs produced	
	1985	1986	1985	1986	1985	1986
	- Millions -		- Number -		Million dozen	
I	284	280	60.9	60.8	1,440.2	1,421.9
II	274	277	63.1	62.6	1,442.8	1,446.8
III	271	272	62.2	62.4	1,403.8	1,418.0
IV	278	277	61.0	61.5	1,413.7	1,422.8
Annual	277	277	247.0	247.0	5,700.1	5,709.5

1/ Marketing year beginning December 1.

Table 31--Egg-type chick hatchery operations, 1984-1986

Month	Hatch			Eggs in incubator first of month		
	1984	1985	1986	1984	1985	1986
	- - Thousands - -			- - Percent - -		
Jan.	36,923	28,289	34,387	112	80	113
Feb.	37,451	28,419	34,745	112	76	125
Mar.	45,697	36,923	39,745	125	76	109
Apr.	47,936	40,873	42,656	127	82	106
May	49,005	38,967	42,686	131	80	105
June	46,545	33,838	37,402	128	72	106
July	37,424	32,094	33,452	125	80	110
Aug.	34,824	32,503	33,403	112	87	102
Sept.	33,113	33,568	32,512	99	97	98
Oct.	31,372	33,593	32,533	93	105	97
Nov.	30,142	33,606	27,800	99	110	81
Dec.	27,098	34,615	33,183	84	123	96

production, but without an increase in consumer demand a gain larger than 1 percent is unlikely.

Egg Prices Below 1986

Prices for cartoned Grade A large eggs in New York averaged 71 cents per dozen in 1986, nearly 5 cents above 1985. Prices were higher in the first quarter, when supplies were below a year earlier. Although prices declined from their first-quarter highs in the second quarter, they were above 1985 even with an increase in production. Supplies were about the same in the third quarter as a year earlier, but prices increased--probably because of three factors: (1) concern that heat in the Southeast would reduce supplies of all eggs, (2) supplies of large eggs would be lower because of more pullets entering the laying flock, and (3) the increase in exports due to larger sales to Japan.

In 1987, egg exports are expected to be about the same as in 1986, because of additional international supplies. With foreign demand about unchanged and egg supplies slightly larger, U.S. prices are expected to average below 1986. During January 1987, prices averaged 67 cents per dozen, down from 73 cents last year. During the first quarter, prices may average 64 to 68 cents, down from 74 cents. Last year, first-quarter prices were strengthened by the Easter market in March. Easter is later in 1987 and will likely strengthen prices in the second quarter. As a result, second-quarter prices may average 63 to 67 cents per dozen, up from 63 in 1986.

Output Even in 1986

At 68.5 billion eggs, egg production from December 1, 1985, through November 30, 1986, was nearly the same as in the 1985 marketing year. The rate of lay was the same in both years--247 eggs per layer--and the number of layers was nearly the same. The State of California produced the largest number of eggs, 7.8 billion. Indiana was the second largest egg producing State, followed by Pennsylvania. The order of the top 10 States was the same as in 1985 except Ohio moved ahead of Arkansas into fifth place.

Retail Prices and Price Spreads

Retail prices for large eggs in 1986 averaged 87 cents per dozen, up from 80 cents in 1985. Prices were highest during August, 91 cents, and lowest in June, 80 cents, when supplies were nearly 2 percent larger than the previous year. Wholesale prices in the third quarter were higher than a year earlier as supplies of large eggs were lower. Compared to 1985, prices were lower in September, because cooler weather in the Southeast and the pullets maturing resulted in more large-size eggs. There may have been more specialing to correspond with normal fall consumption demand.

The retailer spread (the difference between the wholesale price delivered at store door and the average retail price) averaged 15.7 cents per dozen in 1986. The low

occurred in March at 10 cents and the spread was largest in April at 21.9 cents. Wholesale prices usually rise in response to extra orders for Easter, and retail prices were about the same as the month earlier, creating the low spread in March. In April, wholesale prices were falling, but retail prices did not decline as quickly, which provided a wider margin. Retailers also were probably trying to increase returns during April given the small retailer spread in March.

Exports Up in 1986

Exports of shell eggs and egg products in 1986 totaled about 100 million dozen (shell equivalent), an increase of 43 percent from 1985. All of the increase was in exports of egg products, principally to Japan. The higher prices in the United States were offset by the increase in the value of the Japanese yen relative to the U.S. dollar. The slide in the dollar may help U.S. egg exports. However, many countries are increasing egg production and will also have eggs for export in 1987.

Imports of eggs and egg products in 1986 totaled 13.6 million dozen, up from 12.7 million in 1985. About one-third were shell eggs from the Netherlands. The next largest exporter was Canada, with about 20 percent of imports, primarily egg products.

Breaking Use Up, Stocks About Steady

Shell eggs going to breakers for egg products increased in 1986. After many years of nearly steady per capita use, consumption of egg products has begun slowly increasing. More convenience products are being sold, causing a shift in demand from shell eggs for home use to egg products for commercial baking and product preparation.

In 1986, prices of egg albumen were up sharply. During January through November, the price of frozen egg whites in New York and Philadelphia averaged nearly 37 cents per pound, up from 24 cents in 1985. The price of whole egg products was nearly the same as the previous year. Albumen exports, primarily to Japan, increased, which may explain the stronger prices.

Shell eggs broken under Federal inspection during 1986 were up nearly 6 percent from 1985. The increase in egg product exports accounts for nearly all of the increased breaking use. Processed egg consumption during January-September increased only three-tenths of an egg per person from 1985.

Table 32--Force moltings and light-type hen slaughter, 1985-86

Month	Force molted layers 1/				Light-type hens slaughtered under Federal inspection 2/		
	Being molted		Molt completed				
	1985	1986	1985	1986	1984	1985	1986
	- - - - Percent - - - -				- - - Thousands - - -		
January	2.3	3.6	17.8	25.2	10,394	18,928	13,914
February	4.6	4.8	16.6	23.5	9,751	13,674	12,358
March	3.8	4.2	15.6	24.4	11,602	13,311	14,210
April	3.0	2.8	15.6	24.0	11,684	13,819	14,761
May	5.6	5.4	14.6	22.1	13,657	12,336	13,310
June	6.0	4.4	16.0	22.8	13,932	9,079	14,887
July	5.4	5.4	19.1	21.9	12,533	9,774	12,399
August	4.4	3.9	20.3	21.4	14,307	10,204	11,700
September	4.9	3.9	21.2	20.8	11,986	9,417	11,232
October	5.8	4.7	21.6	20.2	16,277	9,499	12,471
November	5.3	4.2	23.6	20.7	12,110	9,170	10,019
December	3.2	2.5	24.9	22.0	13,768	13,200	12,469

1/ Percent of hens and pullets of laying age in 15 selected States. 2/ Revisions include data from late reports or other corrections developed by the Food Safety and Inspection Service.

Table 33--Egg prices and price spreads, 1985-86

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
						Cents per dozen							
Farm price 1/													
1985	43.2	44.5	50.5	44.9	41.9	45.6	45.3	50.5	55.5	57.2	60.3	60.2	50.0
1986	58.2	53.6	61.7	50.5	48.8	41.9	51.5	55.5	55.3	50.2	59.8	58.3	53.8
New York (cartoned) 2/ Grade A, large													
1985	61.5	58.1	65.5	59.9	55.7	64.4	60.2	69.8	73.5	73.8	77.8	76.0	66.4
1986	73.3	68.3	80.8	65.7	65.2	59.2	73.0	72.8	72.6	69.6	77.2	75.5	74.0
U.S. average Grade A, large Retail price													
1985	74.6	78.4	79.0	78.3	74.5	72.4	78.7	78.9	85.7	86.0	87.2	90.6	80.4
1986	90.1	86.6	88.7	89.0	82.0	79.5	83.3	91.3	86.8	85.5	89.7	91.0	87.0
Price spreads Retail-to-consumer													
1985	12.6	17.0	10.7	15.3	17.3	8.4	15.9	7.6	11.5	11.3	10.2	14.6	12.7
1986	14.9	17.2	10.0	21.9	16.8	20.5	12.1	18.8	14.3	15.4	11.7	14.4	15.7
						1967=100							
Consumer price index													
1985	161.3	169.7	172.1	169.9	159.9	158.3	168.4	171.0	185.7	187.4	190.8	196.7	174.3
1986	194.4	186.7	190.8	188.8	173.7	166.9	175.2	192.9	186.0	186.2	195.8	198.6	186.3

1/ Market (table) eggs including eggs sold retail by the producer; data not available prior to 1982.
2/ Price to volume buyers.

Table 34--Shell eggs broken and egg products produced under Federal inspection, 1985-86

Period	Shell eggs broken	Egg products produced 1/		
		Liquid 2/	Frozen	Dried
	Thou. doz.	Thou. lbs.	Thou. lbs.	Thou. lbs.
1985				
January	68,245	47,825	27,959	7,819
February	55,546	39,713	22,863	6,320
March	58,915	44,234	23,098	6,402
April	68,952	50,521	29,233	7,075
May	80,190	59,490	31,481	10,304
June	67,540	48,366	25,988	9,986
July	74,798	52,155	28,732	9,585
August	72,067	52,290	28,103	8,259
September	67,276	49,055	25,740	7,279
October	75,820	54,576	30,661	9,983
November	61,153	44,106	26,654	7,812
December	62,106	45,032	27,981	7,810
1986				
January	67,415	50,206	28,122	6,574
February	61,356	46,368	24,252	6,556
March	59,034	45,856	23,221	5,429
April	74,396	55,105	30,434	7,760
May	74,076	58,477	27,510	8,529
June	78,479	61,323	30,830	7,724
July	78,719	59,815	31,381	7,229
August	74,041	56,353	28,228	7,102
September	72,314	55,668	27,516	6,578
October	80,077	61,450	32,255	8,045
November	63,605	50,759	26,584	6,481
December	73,929	54,255	31,866	8,084

1/ Includes ingredients added. 2/ Liquid egg products produced for immediate consumption and for processing.

Table 35--U.S. egg exports to major importers January-March, 1985-1986 1/

Country or Area	1985	1986
	1,000 Dozen	
Japan	38,239	66,689
Canada	12,586	13,013
Hong Kong	7,434	6,191
Trinidad-Tobago	3,336	2,082
Mexico	606	1,824
Jamaica	725	1,101
Haiti	901	1,039
Switzerland	532	868
Federal Rep of Germany	918	865
Peru	45	842
United Kingdom	275	638
Suriname	798	622
Dominican Republic	264	609
Korea, Republic of	127	525
Barbados	306	352
Other	3,543	3,707
Total	70,637	100,966

1/ Shell and shell equivalent of egg products.

Table 36--Shell eggs: Supply and utilization by quarters, 1985-86 1/

Year	Supply: Beginning stocks	Supply: Production	Supply: Hatching use 2/	Supply: Eggs broken	Supply: Imports	Supply: Total supply	Utilization: Ending stocks	Utilization: Exports and shipments	Utilization: Military	Civilian disappearance: Total	Civilian disappearance: Per capita 3/
	---- Million dozen ----										Number
1985 4/											
I	0.9	1,430.5	136.1	182.7	.9	1,113.5	0.7	13.9	4.4	1,094.5	55.6
II	.7	1,407.5	139.7	216.7	2.3	1,054.1	.6	15.0	5.1	1,033.5	52.4
III	.6	1,407.7	133.7	214.1	1.1	1,061.6	.7	12.9	4.0	1,044.0	52.8
IV	.7	1,442.8	138.6	199.1	4.3	1,110.0	.7	14.2	4.3	1,090.8	55.0
Year	.9	5,688.4	548.1	812.6	8.6	4,337.2	.7	56.0	17.8	4,262.7	215.7
1986 4/											
I	.7	1,423.3	138.5	187.8	3.0	1,100.8	.6	13.0	4.3	1,082.9	54.5
II	.6	1,421.2	144.6	227.0	3.3	1,053.6	1.1	12.4	3.8	1,036.3	52.0
III	1.1	1,413.3	140.9	225.1	1.2	1,049.7	.9	13.5	4.0	1,031.3	51.7
IV	.9	1,458.0	141.1	217.6	3.4	1,103.6	.7		3.9		
Year	.7	5,715.8	565.1	857.4	11.0	4,305.0	.7		16.0		

1/ Totals may not add because of rounding. 2/ Hatching use for 1986 calculated by the new method. 3/ Calculated from unrounded data. 4/ Preliminary.

Table 37--Total eggs: Supply and utilization by quarters, 1985-86

Year	Supply: Production	Supply: Imports 1/	Supply: Beginning stocks	Supply: Total supply	Utilization: Ending stocks 1/	Utilization: Exports and shipments 1/	Utilization: Hatching use 2/	Utilization: Military 1/	Civilian disappearance: Total	Civilian disappearance: Per capita 3/
	-- Million dozen --									Number
1985 4/										
I	1,430.5	2.2	11.1	1,443.8	11.0	24.5	136.1	5.1	1,267.2	64.4
II	1,407.5	3.3	11.0	1,421.7	12.2	24.5	139.7	5.6	1,239.7	62.8
III	1,407.7	2.3	12.2	1,422.2	13.1	25.0	133.7	4.5	1,245.9	63.0
IV	1,442.8	4.9	13.1	1,460.7	10.7	27.0	138.6	5.0	1,279.4	64.5
Year	5,688.4	12.7	11.1	5,712.2	10.7	101.0	548.1	20.2	5,032.2	254.7
1986 4/										
I	1,423.3	3.6	10.7	1,437.6	8.7	33.4	138.5	4.6	1,252.4	63.0
II	1,421.2	4.0	8.7	1,433.9	11.9	28.2	144.6	4.2	1,245.1	62.5
III	1,413.3	2.2	11.9	1,427.4	11.5	36.5	140.9	4.5	1,234.0	61.8
IV	1,458.0	3.9	11.5	1,473.3	10.5		141.1	4.2		
Year	5,715.8	13.6	10.7	5,704.2	10.5		565.1	17.5		

1/ Shell eggs and the approximate shell-egg equivalent of egg products. 2/ Hatching use for 1986 calculated by the new method. 3/ Calculated from unrounded data. 4/ Preliminary.

Table 38--Layers and egg production: Number produced, average number of layers, and eggs per layer 1/

State	Number of eggs produced		Annual average number of layers 2/		Eggs per layer 2/	
	1985	1986	1985	1986	1985	1986
	- - Million eggs - -		- - Thousand - -		- - Number - -	
Ala.	2,794	2,723	11,378	11,048	246	246
Alas.	11.7	12.8	52	51	225	251
Ariz.	99	121	430	468	230	259
Ark.	3,655	3,731	15,204	15,518	240	240
Calif.	8,052	7,850	32,961	32,250	243	243
Colo.	568	575	2,385	2,434	238	236
Conn.	1,173	1,281	4,711	5,232	249	245
Del.	126	135	594	622	212	217
Fla.	2,692	2,683	10,515	10,442	256	257
Ga.	4,282	4,318	17,626	17,745	243	243
Haw.	220.5	227.0	983	987	224	230
Idaho	239	230	969	922	247	249
Ill.	732	663	3,012	2,633	243	252
Ind.	5,538	5,561	21,304	21,747	260	256
Iowa	1,600	1,441	6,546	5,845	244	247
Kans.	472	463	1,903	1,834	248	252
Ky.	431	420	1,797	1,808	240	232
La.	348	336	1,573	1,506	221	223
Maine	1,237	1,239	4,888	4,893	253	253
Md.	813	890	3,275	3,591	248	248
Mass.	257	315	1,026	1,195	250	264
Mich.	1,693	1,644	6,807	6,513	249	252
Minn.	2,267	2,312	9,254	9,386	245	246
Miss.	1,251	1,274	5,151	5,322	243	239
Mo.	1,351	1,397	5,679	5,892	238	237
Mont.	202	201	807	790	250	254
Nebr.	844	829	3,567	3,469	237	239
Nev.	2.2	2.2	12	12	183	183
N. H.	121	95	464	351	261	271
N. J.	474	501	1,814	1,865	261	269
N. Mex.	273	280	1,144	1,146	239	244
N. Y.	1,710	1,523	6,712	6,125	255	249
N. C.	3,294	3,400	13,848	14,394	238	236
N. D.	118	61	479	256	246	238
Ohio	3,592	3,868	14,214	15,114	253	256
Okla.	868	809	3,675	3,551	236	228
Oreg.	649	659	2,695	2,644	241	249
Pa.	4,774	4,692	18,187	17,927	262	262
R. I.	80	58	322	231	248	251
S. C.	1,573	1,615	6,058	6,308	260	256
S. D.	391	395	1,589	1,619	246	244
Tenn.	756	663	2,948	2,637	256	251
Tex.	3,131	3,355	13,250	13,803	236	243
Utah	418	457	1,827	1,781	229	257
Vt.	67	57	247	213	271	268
Va.	850	914	3,453	3,790	246	241
Wash.	1,355	1,295	5,329	5,059	254	256
W. Va.	121	109	536	483	226	226
Wis.	836	830	3,388	3,393	247	245
Wyo.	6.8	4.5	33	25	206	180
U.S. 3/	68,407	68,514	276,680	276,870	247	247

1/ Annual estimates cover December 1 of previous year through November 30. 2/ Total egg production divided by average number of layers on hand multiplied by 100. 3/ Sum of States may not add to U.S. total because of rounding.

Table 39--Chickens: Number on farms by classes and by regions, December 1, 1975-86 1/

Year	North Atlantic	E. North Central	W. North Central	South Atlantic	South Central	Western	Alaska and Hawaii	United States
				Thousand head				
				Total hens and pullets of laying age				
1975	35,821	41,168	33,754	59,842	56,923	51,256	979	279,743
1976	36,045	39,340	32,600	61,093	59,070	50,590	1,040	279,778
1977	37,117	39,925	31,870	63,090	62,545	51,099	1,031	286,677
1978	38,825	41,118	31,980	64,371	63,900	52,060	1,052	293,306
1979	39,523	40,880	31,260	67,694	62,691	51,862	1,023	294,933
1980	39,774	42,420	31,985	63,752	63,502	51,599	1,035	294,067
1981	38,636	43,300	33,000	63,077	62,747	52,070	974	293,804
1982	38,887	45,850	32,342	61,887	59,469	50,296	906	289,637
1983	36,950	45,010	31,293	58,745	55,593	49,936	990	278,517
1984	39,465	49,560	30,744	58,717	56,137	50,221	1,004	285,848
1985	38,397	50,220	29,470	56,348	56,505	47,786	1,043	279,769
1986	36,955	50,142	29,390	58,404	55,835	48,388	1,026	280,140
				Pullets 3 months old and older not of laying age				
1975	5,711	6,441	4,896	13,365	11,002	6,862	127	48,404
1976	5,793	5,449	4,976	12,278	12,364	6,829	87	47,776
1977	5,849	6,607	4,687	12,328	11,887	6,158	137	47,653
1978	6,330	6,147	4,280	13,690	11,990	6,423	132	48,992
1979	7,260	5,645	3,805	12,988	14,903	5,437	148	50,186
1980	5,350	6,085	3,824	12,796	13,083	5,869	176	47,183
1981	6,221	5,898	4,078	10,027	10,760	5,279	137	42,400
1982	5,191	5,680	3,611	9,879	10,485	5,513	120	40,479
1983	5,763	5,775	3,820	8,822	8,988	4,472	107	37,747
1984	4,557	7,340	4,164	9,424	9,054	4,335	139	39,013
1985	4,124	6,460	3,832	9,884	9,113	4,123	113	37,649
1986	4,295	5,944	3,369	9,590	10,227	6,040	110	39,575
				Pullets under 3 months old				
1975	5,220	6,595	4,185	12,051	11,348	6,700	162	46,261
1976	5,314	6,866	3,829	11,554	11,608	5,846	158	45,175
1977	5,572	6,862	4,527	11,169	11,484	6,417	160	46,191
1978	6,795	6,715	4,141	12,475	11,802	6,576	177	48,681
1979	6,372	5,958	4,008	13,008	13,313	6,229	160	49,048
1980	6,220	5,771	3,724	10,709	12,655	5,136	143	44,358
1981	5,497	5,947	4,130	10,836	11,438	4,283	167	42,298
1982	5,673	6,179	3,882	10,964	10,363	5,284	202	42,547
1983	6,594	6,185	4,460	9,022	10,521	5,434	115	42,331
1984	4,997	7,530	4,967	9,262	10,492	5,326	129	42,703
1985	4,672	8,030	3,963	10,341	11,113	6,274	119	44,512
1986	4,778	7,754	4,010	10,442	9,744	4,912	106	41,746
				Total all chickens				
1975	47,085	54,541	43,249	87,069	81,357	65,184	1,269	379,754
1976	47,488	51,962	41,760	86,898	85,329	63,638	1,286	378,361
1977	49,006	53,710	41,453	88,690	88,355	63,975	1,329	386,518
1978	52,378	54,290	40,740	92,415	90,382	65,366	1,362	396,933
1979	53,587	52,800	39,402	95,835	93,750	63,879	1,332	400,585
1980	51,762	54,570	39,875	89,489	91,932	62,948	1,355	391,931
1981	50,795	55,430	41,566	86,191	88,031	62,046	1,279	385,338
1982	50,036	58,000	40,140	84,981	83,339	61,494	1,229	379,219
1983	49,578	57,250	39,825	78,963	77,745	60,306	1,213	364,880
1984	49,358	64,730	40,135	79,594	78,625	60,303	1,263	374,008
1985	47,528	64,980	37,480	79,088	79,640	58,556	1,276	368,548
1986	46,270	64,138	37,010	81,024	79,222	59,774	1,243	368,681

1/ Annual estimates cover January 1 through December 31, 1975-79 and December 1 of previous year through November 30, 1980 to date. 2/ Excludes commercial broilers.

Table 40--Estimated costs and returns, 1985-86 1/

Year	Production costs: Feed	Production costs: Total	Wholesale: Total costs 2/	Wholesale: Price 3/	Net returns
Market eggs (cts/doz)					
1985					
I	28.1	46.3	66.8	63.7	-3.1
II	28.0	46.2	66.7	61.1	-5.6
III	26.9	45.1	65.6	68.9	3.3
IV	26.0	44.2	64.7	75.9	11.2
Year 4/	27.3	45.5	66.0	67.5	1.5
1986					
I	27.0	45.2	65.7	74.4	8.7
II	27.4	45.6	66.1	63.8	-2.3
III	25.3	43.5	64.0	71.3	7.3
IV	22.0	40.2	60.7	74.6	13.9
Year	25.4	43.6	64.1	71.1	7.0
Broilers (cts/lb)					
1985					
I	15.3	23.3	45.5	51.5	6.1
II	15.0	23.0	45.0	50.6	5.6
III	14.5	22.5	44.4	50.8	6.4
IV	13.9	21.9	43.6	50.0	6.4
Year 4/	14.7	22.7	44.6	50.7	6.1
1986					
I	14.7	22.7	44.7	50.4	5.7
II	15.0	23.0	45.0	54.2	9.2
III	15.0	23.0	45.0	66.5	21.5
IV	12.9	20.9	42.3	56.7	14.4
Year	14.4	22.4	44.3	56.9	12.8
Turkeys (cts/lb)					
1985					
I	22.5	36.2	61.5	69.3	7.7
II	21.8	35.5	60.7	65.4	4.7
III	21.3	35.0	60.1	78.3	18.2
IV	20.5	34.2	59.0	89.9	30.8
Year 4/	21.4	35.1	60.1	77.3	17.1
1986					
I	20.9	34.6	59.6	60.8	1.3
II	21.7	35.4	60.6	72.3	11.7
III	22.1	35.8	61.1	83.1	22.0
IV	19.7	33.4	58.1	78.0	19.9
Year	21.1	34.8	59.8	75.2	15.3

1/ Costs are weighted by monthly production. 2/ Based on farm cost converted to wholesale market value. 3/ Wholesale prices used are the 13-metro area egg price, 12-city weighted average broiler price, and a weighted average of 8-16 lb. young hens and 14-22 lb. toms in Central, Western, and Eastern Regions. 4/ Weighted average.

Table 41--U.S. mature chicken exports to major importers January-March, 1985-1986

Country or Area	1985	1986
	1,000 Pounds	
Canada	8,175	7,916
Mexico	4,196	4,218
Pacific Is. Trust Terr.	616	1,103
Leeward-Windward Is.	1,712	505
French Pacific Is.	685	448
Japan	1,020	426
Bahamas	150	385
Netherlands Antilles	1,023	199
Hong Kong	162	173
Jamaica	100	146
Suriname	0	125
Haiti	102	73
Barbados	468	63
Bahrain	50	62
Ghana	50	49
Other	2,090	301
Total	20,599	16,191

Broilers

Broiler production is expected to increase sharply in 1987, as processors respond to the strong demand and higher prices realized during 1986. Broiler prices in 1987 may average 51 to 55 cents per pound, down from 1986's 57 cents.

Production Expansion To Continue

Broiler chicks hatched indicate that broiler meat output during January-March may be 6 percent above 1986. To help meet the demand for additional broilers, some firms have announced new production units or plans to expand existing facilities—the hatcheries, feedmills, and slaughter-processing plants. In the Northeast, some facilities that were closed in earlier years are being brought back into operation. Contract growers are also constructing additional grow-out housing.

An early indication of upcoming broiler production is the number of pullets added to the hatchery supply flock. These chicks will be contributing to the hatching egg supply in about 7 months. The cumulative pullet placements 7 to 14 months earlier provide an indication of the size of the hatchery supply flock. Thus, placement data for December indicate that cumulative placements for July 1987 will be 14 percent above 1986. However, producers may want extra eggs in 1987 to

Table 42--Broiler chicks hatched and pullet chicks placed in hatchery supply flocks, 1985-87

Month	Broiler-type chicks		Pullet chicks placed in broiler hatchery supply flocks: Monthly placements		Cumulative placements 7-14 months earlier	
	1985	1986	1985	1986	1986	1987
	Thousands					
January	401,666	409,419	3,471	3,395	27,483	29,039
February	364,542	375,977	3,017	3,420	27,940	29,427
March	418,842	429,634	3,603	3,675	27,374	29,523
April	411,739	423,881	3,884	4,062	27,156	29,722
May	423,991	438,465	3,672	3,938	27,321	30,148
June	410,815	428,301	3,162	3,515	27,002	30,242
July	407,502	429,772	3,400	3,672	26,868	30,603
August	406,426	415,815	3,165	3,846	26,591	
September	380,138	401,554	3,253	3,594	26,849	
October	382,559	415,363	3,182	3,846	27,124	
November	379,050	402,708	3,284	3,769	28,021	
December	416,533	437,135	3,750	4,423	28,706	

Table 43--Federally inspected young chicken slaughter, 1985-86

Year	Number	Average weight	Live-weight pounds	Certified RTC
	Million	Pounds	Million	Pounds
1985				
I	1,056	4.21	4,440	3,229
II	1,146	4.21	4,820	3,513
III	1,153	4.14	4,771	3,484
IV	1,085	4.23	4,593	3,344
Year	4,439	4.20	18,623	13,569
1986 1/				
I	1,099	4.30	4,722	3,414
II	1,189	4.24	5,045	3,673
III	1,196	4.17	4,988	3,620
IV	1,137	4.28	4,865	3,517
Year	4,621	4.25	19,619	14,225

1/ Preliminary.

offset the normal hot weather in July and August.

For first-quarter 1987, the cumulative pullet placements 7 to 14 months earlier were 6 percent above placements for first-quarter 1986. These hens will provide chicks for slaughter in the second quarter. With large grain supplies and favorable price expectations, broiler producers in the second quarter are likely to increase output by 6 percent from last year. This increase may fully use the current available capacity.

The industry would likely expand faster if additional facilities were available, but it remains unclear how long current good returns will continue. If a large number of new facilities are added, the increased supply of broilers could drive prices down. If this occurs, some operators may be forced to leave the industry. Also, the red meat industry and the timing of its expansion may hold the key to profits for the broiler industry. Processors are expected to have enough capacity to increase output 6 percent for the year, even in the hottest months when birds are given more space.

Table 44--Broilers: Eggs set and chicks placed weekly in 12 commercial States, 1985-87 1/

Period 2/ Month and day 2/	Eggs set			Chicks placed		
	1985/86	1986/87	Percent of previous year	1985/86	1986/87	Percent of previous year
	- - - Thousands - - -		Percent	- - - Thousands - - -		Percent
November						
1	106,566	110,103	103	76,864	81,842	106
8	105,826	112,446	106	70,497	76,371	108
15	107,547	111,920	104	74,707	78,065	104
22	107,667	112,435	104	82,143	82,639	101
29	107,131	111,341	104	81,606	86,872	106
December						
3	105,628	107,487	102	83,149	87,094	105
13	105,471	112,258	107	82,391	86,360	105
20	104,769	112,441	107	82,579	86,154	104
27	105,981	110,972	105	80,661	82,636	102
January						
3	106,001	112,239	106	80,824	87,426	108
10	105,152	112,724	107	80,877	86,370	107
17	105,076	112,986	108	81,804	85,671	105
24	105,633	112,748	107	81,488	86,861	107
31	108,304	112,684	104	80,843	86,341	107

1/ 12 States: Ala., Ark., Calif., Del., Fla., Ga., Md., Miss., N.C., Pa., Tex., and Va. 2/ Weeks in 1986/87 and corresponding weeks in 1985/86.

Broiler Prices Below 1986

In the 12 cities, 1986 prices for whole broilers, both branded and without giblets, averaged 56 cents per pound, up from 51 cents in 1985. During January, prices averaged 52 cents per pound, the same as last year. Supplies of red meats in first-quarter 1987 are expected to fall from 1986. Consequently, even with larger broiler supplies, first-quarter prices may average 51 to 53 cents, up from 50 cents in 1986. In the second quarter, prices are expected to average 52 to 56 cents, near 1986's 54 cents. However, prices for all of 1987 may average 51 to 55 cents, down from 57 in 1986.

Retail prices for whole chicken in 1986 averaged 84 cents per pound, up from 76 in 1985. Prices were lowest in April at 75 cents and peaked in August at 96 cents. The highest retail price corresponded to the threat of supply reduction due to the hot weather in the Southeast. The retailer spread--the difference between the prices to retailers and the average retail price--averaged 20.4 cents in 1986. The smallest spread occurred in June at 15.5 cents, and the largest was in December at 30 cents. In June, retailers ran chicken specials for the 4th of July weekend, which may have accounted for the smaller spread. In December, the wholesale price dropped, but retailers were offering specials on other meats for the holiday season.

Exports To Increase in 1987

During 1986, exports of young chicken, primarily broilers, totaled 554 million pounds, up 137 million from 1985. Exports to Japan, the largest buyer, rose 70 percent to 167 million pounds, accounting for 30 percent of the total U.S. exports. Most of the Japanese purchases were chicken parts; only 12 percent was reported as whole chicken. Hong Kong was the second largest purchaser, followed by Jamaica.

Exports to Egypt, primarily under the Export Enhancement Program (EEP), rose to 45 million pounds in 1986, up from 7 million in 1985. Egypt thus became the fifth largest market. Some of the EEP sales made in 1986 have not been shipped yet and so will boost exports in 1987. The EEP program will continue in 1987, and along with non-EEP exports, total exports are projected to rise 26 percent from 1986. Current projections are 3

Table 45--Young chicken prices and price spreads, 1985-86

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
						Cents per pound							
Farm price 1/													
1985	31.1	30.9	29.7	28.5	30.0	31.5	30.3	29.5	30.5	28.4	31.7	30.0	30.2
1986	30.5	29.0	30.2	29.9	30.9	34.0	42.4	45.9	37.8	40.7	34.9	30.6	34.7
Wholesale RTC 12-city av. 2/													
1985	52.8	51.9	49.7	47.8	50.9	53.4	50.2	50.1	52.2	48.3	53.7	48.7	50.8
1986	51.7	49.0	50.3	50.0	54.6	58.3	69.1	69.7	61.0	61.6	57.5	50.0	56.9
U.S. average retail price													
1985	77.3	77.2	76.9	76.4	74.5	76.1	75.3	75.7	76.2	74.9	77.8	77.6	76.3
1986	76.6	77.1	76.7	75.2	76.9	79.5	88.9	95.8	91.0	90.0	87.8	86.5	83.5
Price spreads Retail-to-cons.													
1985	20.2	20.1	21.9	23.7	18.7	17.8	18.2	19.6	18.2	20.6	19.3	22.9	20.1
1986	19.5	21.8	21.0	19.2	16.3	15.5	16.4	20.0	21.6	20.5	22.6	30.0	20.4
							1967 = 100						
Retail pr. index Wh. chickens													
1985	214.3	216.5	215.7	215.0	209.2	213.7	211.8	212.8	214.3	210.4	216.5	221.3	214.3
1986	215.3	216.5	217.3	213.0	217.5	225.2	249.9	271.2	257.3	256.1	252.2	248.1	236.6

1/ Live weight. 2/ Beginning May 1983, 12-city composite weighted average.

Table 46--U.S. young chicken exports to major importers January-March, 1985-1986

Country or Area	1985	1986
	1,000 Pounds	
Japan	98,244	166,871
Hong Kong	88,802	77,511
Jamaica	42,617	54,761
Singapore	48,169	53,528
Egypt	7,343	45,096
Canada	21,911	31,712
Mexico	27,137	29,174
Leeward-Windward Is.	23,839	22,118
Netherlands Antilles	9,499	11,123
French Pacific Is.	5,812	9,444
Federal Rep of Germany	3,101	7,705
Saudi Arabia	5,706	4,237
Spain	751	3,590
Barbados	4,128	3,298
Pacific Is. Trust Terr.	1,216	3,249
Other	28,601	30,230
Total	416,875	553,646

percent below the record 719 million pounds recorded in 1981.

Consumption of Young Chicken Increases

In 1986, consumption of young chicken meat increased substantially. Per capita consumption for the year is currently estimated at 57.3 pounds, up from 55.3 in 1985. The number will be revised when total 1986 broiler production is reported in April. Consumption will continue to increase in 1987 as record numbers of broilers move to market. Consumption may rise another 2 pounds per person to near 60 pounds.

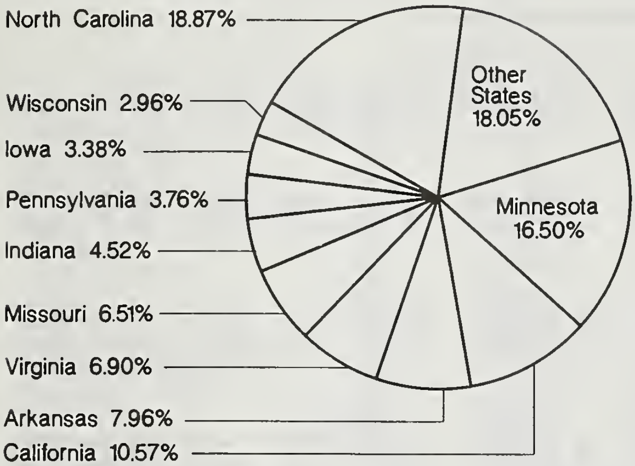
Turkeys

Very good returns in 1986 prompted producers to expand poult production sharply in 1987. As a result, prices for turkeys may average below last year.

Production Up Sharply in 1987

Turkey producers enjoyed excellent returns in 1986. This experience and good prospects for 1987 will likely result in a sharp expansion in turkey production. In late 1986,

North Carolina, Minnesota Lead in Number of Turkeys Raised



producers in the 20 major turkey-producing States indicated they planned to raise 11 percent more turkeys in 1987. Producers in North Carolina--the largest producing State in 1986--indicated they planned to increase output by 17 percent. Minnesota--the second largest State--intended a 9-percent rise. None of the States indicated production cuts.

In recent months, producers have sharply increased hatchery activity for first-half marketings. Placements for U.S. slaughter during September-December were 18 percent above a year earlier. Placement of poults that could be slaughtered during first-quarter 1987 suggests production will be 16 percent above last year. Placements were up 23 percent in December, suggesting producers may be planning for sales of fresh turkey for the Easter holiday. In any case, output in the second quarter will likely be nearly 19 percent above last year.

January Stocks Up from 1986

Cold storage stocks of frozen turkeys and parts on January 1 were up 28 million pounds from a year earlier. Nearly all of the increase--almost 27 million pounds--was in whole turkeys. Still, given the increase in production and stocks available, turkey consumption was record high in the fourth quarter of 1986. Even though stocks were up from last year, they were not up to the point that in years past has weakened prices in the first half. Stocks of frozen turkey may

Table 47--Turkey hatchery operations, 1985-87 1/

Month	Total turkey placed 2/		Eggs in incubators first of month, changes from previous year	
	1985-86	1986-87	1985-86	1986-87
	- - Thousands - -		- - - Percent - - -	
Sept.	10,661	13,622	20	18
Oct.	12,451	14,174	8	17
Nov.	12,648	13,836	12	11
Dec.	14,448	17,725	17	17
Jan.	17,204	21,118	9	23
Feb.	18,642		13	15
Mar.	20,722		8	
Apr.	23,011		10	
May	24,247		8	
June	23,572		10	
July	22,286		13	
Aug.	16,405		8	

1/ Breakdown by breed not shown to avoid disclosing individual operations. 2/ Excludes exported poults.

Table 48--Federally inspected turkey slaughter, 1985-86

Year	Number	Average weight	Live-weight pounds	Certified RTC
	Million	Pounds	- Million pounds -	
1985				
I	29.7	20.48	607.4	482.1
II	40.0	19.74	789.4	628.3
III	54.0	19.86	1,072.3	854.6
IV	51.5	20.27	1,044.1	834.8
Year	175.2	20.09	3,513.2	2,799.7
1986 1/				
I	34.2	20.40	697.5	556.1
II	45.4	19.81	898.7	717.4
III	60.5	19.66	1,189.5	939.4
IV	56.7	20.43	1,157.9	917.5
Year	196.7	20.08	3,943.5	3,130.5

1/ Preliminary.

Table 49--Turkey prices and price spreads, 1985-86

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
						Cents per pound							
Farm price 1/													
1985	50.3	40.5	39.5	39.2	38.5	40.6	44.0	47.5	51.8	56.9	58.4	59.1	47.2
1986	35.7	36.4	36.9	38.0	40.7	46.1	49.3	50.8	51.2	52.6	51.5	41.5	44.2
Hens, Eastern Region 8-16 lbs 2/													
1985	74.0	65.6	67.0	64.6	62.6	68.1	72.8	78.4	82.4	90.2	93.1	86.9	75.5
1986	60.2	61.7	63.9	64.6	67.1	73.8	77.9	80.5	81.2	83.2	80.7	68.2	71.9
U.S. average retail price													
1985	109.1	107.3	105.3	104.4	103.0	102.9	104.0	104.4	107.3	107.5	104.2	103.1	105.2
1986	106.3	107.8	104.8	104.2	103.4	102.3	105.6	109.5	111.9	112.9	108.1	102.1	106.6
Price spreads Retail-to-consumer													
1985	25.1	32.0	29.4	31.1	31.2	27.0	23.6	20.1	17.8	10.5	4.4	7.2	21.6
1986	33.7	36.7	32.5	31.3	27.1	19.0	19.3	19.5	21.7	20.2	16.2	21.8	24.9
						December 1977=100							
Consumer pr. index													
1985	142.4	143.2	141.6	141.6	140.5	141.5	140.3	139.2	141.8	142.0	140.6	140.1	141.2
1986	142.1	143.2	141.4	139.6	140.7	139.8	141.1	142.2	145.8	149.1	145.0	143.0	142.8

1/ Live weight. 2/ Wholesale, ready-to-cook.

increase slightly during the first quarter, then be pulled down to meet the Easter demand in April.

Turkey Prices Decline

Prices of commodity-pack 8- to 16-pound hen turkeys in 1986 averaged 72 cents per pound, down from 75 cents in 1985. Lower prices in the first and fourth quarters caused the decline in the yearly average. Prices were above 1985 in the second and third quarters, when retailers were contracting for supplies for the fourth quarter. Retailers did not actively seek whole turkeys during January 1987, even though supplies were plentiful and prices were well below last year.

Prices for young hen turkeys in February have begun to firm from the lows in January, because of an increase in processing demand for small breasts. For the first quarter, prices may average 55 to 57 cents per pound, down from 62 cents last year. In spite of increased supplies in the second quarter, prices then are expected to average 58 to 62 cents, down from 68 cents last year but up from the first quarter. The smaller supplies and higher prices of red meats, plus the initial effort to

Table 50--U.S. turkey exports to major importers January-March, 1985-1986

Country or Area	1985	1986
	1,000 Pounds	
Egypt	6,321	4,828
Canada	2,694	3,565
Federal Rep of Germany	2,701	2,637
Japan	1,647	2,418
Western Samoa	834	1,780
Pacific Is. Trust Terr.	693	1,606
Mexico	2,622	1,233
Hong Kong	1,459	1,137
Bahamas	659	854
Panama (Inc. Canal Zone)	564	741
Saudi Arabia	408	609
Singapore	563	442
Leeward-Windward Is.	681	434
Trinidad-Tobago	643	402
Gabon	402	359
Other	4,320	2,456
Total	27,211	25,500

Table 51--Turkeys: Number raised in 1984-85 and number intended to be raised in 1986

State	Number			1986 as a percentage of 1985	1987 as a percentage of 1986
	1985	1986	1987 1/		
	- - 1,000 head - -			- - Percent - -	
Arkansas 2/	16,000	16,500	18,000	103	109
California 2/	20,500	21,900	24,100	107	110
Colorado 2/	3/	3/	3/		
Connecticut	35	40		114	
Delaware	11	3/			
Georgia 2/	2,631	2,426	2,530	92	104
Illinois	280	347		124	
Indiana 2/	6,941	9,370	11,700	135	125
Iowa 2/	6,300	7,000	7,350	111	105
Kansas	200	104		52	
Maryland	129	3/125		97	
Massachusetts	156	145		93	
Michigan	2,300	2,700		117	
Minnesota 2/	30,400	34,200	37,300	113	109
Missouri 2/	12,500	13,500	15,000	108	111
Nebraska	918	1,437		157	
New Hamphire	28	26		93	
New Jersey	88	100		114	
New York	314	343		109	
North Carolina 2/	31,850	39,100	45,700	123	117
North Dakota 2/	900	1,030	1,100	114	107
Ohio 2/	2,800	3,100	3,300	111	106
Oklahoma 2/	3/	3/	3/		
Oregon 2/	1,300	1,510	2,000	116	132
Pennsylvania 2/	7,100	7,800	9,120	110	117
South Carolina 2/	2,850	3,900	4,050	137	104
South Dakota 2/	1,723	1,968	2,100	114	107
Texas 2/	3/	3/	3/		
Utah 2/	3,082	3,390	3,390	110	100
Virginia 2/	13,066	14,307	15,050	110	105
West Virginia	2,400	2,220		93	
Wisconsin 2/	6,150	6,180	6,760	100	110
Other States	12,400	12,500	13,600	101	109
20 State Total	178,493	199,629	222,150	112	111
U.S. Total	185,352	207,216		112	

1/ Intentions to raise turkeys made in 20 States only. 2/ 20 States inclusive. 3/ Combined to avoid disclosure of individual operations.

rebuild stocks for the fourth quarter, are expected to strengthen turkey prices.

The U.S. average retail price for turkey in 1986 was $1.07 per pound, up from $1.05 in 1985. Prices were lowest in June at $1.02 and peaked in October at $1.13. October was also the month with the highest wholesale prices, reflecting purchases for November. The spread between wholesale costs to the retailer and the retail price in 1986 averaged 25 cents per pound, up from 22 cents in 1985. The lowest spread was 16 cents in November, when retailers were advertising turkeys for Thanksgiving. The largest spread, nearly 37 cents per pound, occurred in February, when retail advertising would normally be minimal.

1986 Turkey Crop Up

The 1986 turkey crop totaled 207 million head, up 12 percent from the 185 million raised in 1985. The top three turkey-producing States remained in the same order in both 1985 and 1986--North Carolina, Minnesota, and California. The only State shifting among the top ten was Indiana, which moved from eighth in 1985 to seventh in 1986. Indiana also showed the third largest percentage increase for the year-over-year comparison, at 35 percent. The largest

year–over–year percentage increases occurred in Nebraska (57 percent) followed by South Carolina (37 percent).

Exports Down Slightly in 1986

Exports of both whole turkey and parts continued near the low of 1984, when both the Federal Republic of Germany and Egypt cut back purchases. Egypt has begun to buy more turkey, but purchases remain below 1983. Egypt was the largest purchaser of U.S. turkey in 1986, followed by Canada and the Federal Republic of Germany. Even with lower prices likely in 1987, turkey exports are not expected to increase from 1986.

Larger 1986 Turkey Consumption

Turkey meat consumption in 1986 was an estimated record 13.5 pounds per person, compared with 12.1 in 1985. The 1986 figure will be revised when total 1986 production is reported in April. Consumption would have been fractionally larger if carryout stocks had not increased 28 million pounds. Consumption in 1987 will probably increase about 2 pounds per person if the expansion in production is as large as expected.

Table 52—Beef, Choice Yield Grade 3: Retail, carcass, and farm values, spreads, and farmers' share 1/

Year	Retail price 2/	Gross carcass value 3/	Carcass by-product allowance 4/	Net carcass value 5/	Gross farm value 6/	Farm by-product allowance 7/	Net farm value 8/	Farm-retail spread: Total	Farm-retail spread: Carcass-retail	Farm-retail spread: Farm-carcass	Farmers' share 9/
	- - - Cents per pound - - -										Percent
1980	237.6	157.7	2.3	155.4	161.9	16.9	145.0	92.6	82.2	10.4	61
1981 10/	238.7	151.5	2.1	149.3	154.5	16.0	138.5	100.2	89.4	10.8	58
1982	242.5	152.8	2.1	150.7	155.5	15.0	140.5	102.0	91.8	10.2	58
1983	238.1	147.4	2.0	145.4	151.8	15.6	136.2	101.9	92.7	9.2	57
1984	239.6	150.6	3.0	147.6	158.6	18.6	140.0	99.6	92.0	7.6	58
1985											
I	239.0	145.2	2.4	142.8	151.1	15.5	135.6	103.4	96.2	7.2	57
II	234.4	134.2	1.8	132.4	140.2	15.1	125.1	109.3	102.0	7.3	53
III	226.6	122.6	1.3	121.3	126.9	14.5	112.4	114.2	105.3	8.9	50
IV	230.3	145.8	1.6	144.2	150.7	16.3	134.4	95.9	86.1	9.8	58
Jan.	239.7	149.6	2.6	147.0	155.9	16.1	139.8	99.9	92.7	7.2	58
Feb.	238.7	146.7	2.4	144.3	152.8	15.6	137.2	101.5	94.4	7.1	57
Mar.	238.6	139.2	2.2	137.0	144.6	14.9	129.7	108.9	101.6	7.3	54
Apr.	236.8	135.0	2.1	132.9	142.8	15.8	127.0	109.8	103.9	5.9	54
May	234.4	134.8	1.8	133.0	140.6	15.2	125.4	109.0	101.4	7.6	53
June	232.0	132.9	1.7	131.2	137.1	14.2	122.9	109.1	100.8	8.3	53
July	230.6	124.0	1.4	122.6	128.3	14.3	114.0	116.6	108.0	8.6	49
Aug.	225.5	121.2	1.4	119.8	126.7	14.7	112.0	113.5	105.7	7.8	50
Sept.	223.6	122.7	1.3	121.4	125.6	14.5	111.1	112.5	102.2	10.3	50
Oct.	224.2	137.5	1.5	136.0	143.1	15.5	127.6	96.6	88.2	8.4	57
Nov.	229.9	150.6	1.8	148.8	155.0	16.9	138.1	91.8	81.1	10.7	60
Dec.	236.9	149.3	1.6	147.7	154.0	16.6	137.4	99.5	89.2	10.3	58
Annual	232.6	137.0	1.8	135.2	142.2	15.4	126.8	105.8	97.4	8.4	55
1986											
I											
Jan.	236.9	140.0	1.4	138.6	144.5	16.1	128.4	108.5	98.3	10.2	54
Feb.	232.5	131.4	1.4	130.0	136.5	15.5	121.0	111.5	102.5	9.0	52
Mar.	230.3	129.2	1.1	128.1	134.9	15.1	119.8	110.5	102.2	8.3	52
1st qt.	233.2	133.5	1.3	132.2	138.6	15.5	123.1	110.1	101.0	9.1	53
Apr.	227.0	126.2	1.0	125.2	131.2	15.0	116.2	110.8	101.8	9.0	51
May	226.8	130.6	.9	129.7	135.7	15.3	120.4	106.4	97.1	9.3	53
June	226.6	126.6	.9	125.7	128.2	14.9	113.3	113.3	100.9	12.4	50
2nd qt.	226.8	127.8	.9	126.9	131.7	15.1	116.6	110.2	99.9	10.3	51
July	227.4	134.6	1.2	133.4	140.9	16.0	124.9	102.5	94.0	8.5	55
August	230.2	136.7	1.1	135.6	143.6	15.4	128.2	102.0	94.6	7.4	56
September	231.0	136.9	1.1	135.8	144.1	15.1	129.0	102.0	95.2	6.8	56
3rd qt.	229.5	136.1	1.2	134.9	142.9	15.5	127.4	102.2	94.6	7.6	56
October	231.2	138.4	1.3	137.1	144.9	16.0	128.9	102.3	94.1	8.2	56
November	233.8	143.0	1.3	141.7	150.5	16.4	134.1	99.7	92.1	7.6	57
December	234.8	137.7	1.4	136.3	145.2	16.9	128.3	106.5	98.5	8.0	55
4th qt.	233.3	139.7	1.3	138.4	146.8	16.4	130.4	102.9	94.9	8.0	59
Annual	230.7	134.3	1.2	133.1	140.0	15.6	124.4	106.3	97.6	8.7	54

1/ Revised series. 2/ Estimated weighted-average price of retail cuts from Choice Yield Grade 3 carcass. 3/ Value of carcass-quantity equivalent to 1 lb. of retail cuts. A wholesale-carcass equivalent of 1.464 was used prior to 1970; it was increased gradually to 1.476 in 1976 and later years. 4/ Portion of gross carcass value attributed to fat and bone trim. 5/ Gross carcass value minus carcass by-product allowance. 6/ Market value to producer for 2.4 lb. of live animal, equivalent to 1 lb. of retail cuts. 7/ Portion of gross farm value attributed to edible and inedible by-products. 8/ Gross farm value minus farm by-product allowance. 9/ Percent net farm value is of retail price.
10/ ERS data through May 1981, BLS series since.

Table 53--Pork: Retail, wholesale, and farm values, spreads, and farmers' share 1/

Year	Retail price 2/	Wholesale value 3/	Gross farm value 4/	By-product allowance 5/	Net farm value 6/	Farm-retail spread Total	Farm-retail spread Wholesale-retail	Farm-retail spread Farm-wholesale	Farmers' share 7/
	- - - Cents per pound - - -								Percent
1980	139.4	98.0	68.3	5.1	63.2	76.2	41.4	34.8	45
1981 8/	152.4	106.7	75.5	5.2	70.3	82.1	45.7	36.4	46
1982	175.4	121.8	94.3	6.3	88.0	87.4	53.6	33.8	50
1983	169.8	108.9	81.4	4.9	76.5	93.3	60.9	32.4	45
1984	162.0	110.1	83.3	5.9	77.4	84.6	51.9	32.7	48
1985									
I	165.4	106.3	80.4	5.4	75.0	90.4	59.1	31.3	45
II	158.6	101.0	73.5	4.5	69.1	89.5	57.6	31.9	44
III	161.1	96.6	74.1	4.5	69.6	91.5	64.5	27.0	43
IV	163.0	100.6	76.6	4.5	72.1	90.9	62.4	28.5	44
1985									
Jan.	166.0	110.0	83.5	5.5	78.0	88.0	56.0	32.0	47
Feb.	165.6	106.9	83.1	5.6	77.5	88.1	58.7	29.4	47
Mar.	164.7	102.0	74.6	5.0	69.6	95.1	62.7	32.4	42
Apr.	159.3	97.0	70.5	4.7	65.8	93.5	62.1	31.4	41
May	158.7	99.6	72.2	4.4	67.8	90.9	59.1	31.8	43
June	157.9	106.3	77.9	4.3	73.6	84.3	51.6	32.7	47
July	161.7	99.9	79.3	4.7	74.6	87.1	61.8	25.3	46
Aug.	161.8	96.8	74.5	4.7	69.8	92.0	65.0	27.0	43
Sept.	159.8	93.1	68.5	4.2	64.3	95.5	66.7	28.8	40
Oct.	160.0	98.7	74.8	4.3	70.5	89.5	61.3	28.2	44
Nov.	162.4	99.6	75.2	4.5	70.6	91.8	62.8	29.0	43
Dec.	166.5	103.5	79.8	4.5	75.3	91.2	63.0	28.2	45
Annual	162.0	101.1	76.2	4.8	71.4	90.6	60.9	29.7	44
1986									
I									
Jan.	169.0	99.1	77.6	4.7	72.9	96.1	69.9	26.2	43
Feb.	168.3	95.7	74.1	4.6	69.5	98.8	72.6	26.2	41
Mar.	165.8	92.4	69.5	4.0	65.5	100.3	73.4	26.9	40
1st qt.	167.7	95.7	73.7	4.4	69.3	98.4	72.0	26.4	41
Apr.	162.2	91.7	68.8	4.0	64.8	97.4	70.5	26.9	40
May	162.3	102.8	80.8	4.2	76.6	85.7	59.5	26.2	47
June	166.5	112.2	94.6	4.8	89.8	76.7	54.3	22.4	54
2nd qt.	163.7	102.2	81.4	4.3	77.1	86.6	61.5	25.1	47
July	183.4	127.4	103.5	5.6	97.9	85.5	56.0	29.5	53
August	190.3	131.9	107.9	5.9	102.0	88.3	58.4	29.9	54
September	194.4	127.3	101.4	5.7	95.7	98.7	67.1	31.6	49
3rd qt.	189.4	128.9	104.3	5.7	98.5	90.9	60.5	30.4	52
October	194.9	118.5	92.2	5.5	86.7	108.2	76.4	31.8	44
November	192.5	118.4	91.2	5.1	86.1	106.4	74.1	32.3	45
December	191.3	113.5	86.6	5.2	81.4	109.9	77.8	32.1	43
4th qt.	192.9	116.8	90.0	5.3	84.7	108.2	76.1	32.1	44
Annual	178.4	110.9	87.3	4.9	82.4	96.0	67.5	28.5	46

1/ Revised series. 2/ Estimated weighted-average price of retail cuts from pork carcass. 3/ Value of wholesale quantity equivalent to 1 lb. of retail cuts. A wholesale-carcass equivalent of 1.06 is used for all years. 4/ Market values to producer for 1.7 lb. of live animal, equivalent to 1 lb. of retail cuts. 5/ Portion of gross farm value attributable to edible and inedible by-products. 6/ Gross farm value minus by-product allowance. 7/ Percent net farm value is of retail price. 8/ ERS data through May 1981, BLS series since.

Table 54--Average retail price of specified meat cuts, per pound, by months

Year and item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
						Dollars						
CHOICE BEEF:												
Ground chuck												
1984	1.72	1.74	1.75	1.75	1.75	1.72	1.69	1.69	1.68	1.69	1.70	1.71
1985	1.71	1.73	1.72	1.72	1.69	1.67	1.65	1.64	1.64	1.62	1.67	1.68
1986	1.66	1.66	1.66	1.63	1.59	1.60	1.61	1.62	1.64	1.65	1.66	1.65
Ground beef												
1984	1.29	1.34	1.31	1.33	1.30	1.27	1.25	1.28	1.27	1.25	1.27	1.30
1985	1.28	1.28	1.28	1.27	1.21	1.20	1.20	1.21	1.21	1.19	1.24	1.28
1986	1.28	1.26	1.27	1.22	1.19	1.16	1.19	1.22	1.23	1.23	1.28	1.26
Chuck roast, bone in												
1984	1.75	1.78	1.75	1.74	1.70	1.62	1.59	1.59	1.62	1.62	1.69	1.71
1985	1.68	1.70	1.65	1.62	1.58	1.55	1.50	1.48	1.41	1.50	1.56	1.63
1986	1.68	1.64	1.65	1.53	1.54	1.53	1.50	1.54	1.50	1.58	1.66	1.68
Round roast, boneless												
1984	2.62	2.69	2.68	2.68	2.61	2.53	2.47	2.52	2.52	2.52	2.51	2.55
1985	2.56	2.52	2.56	2.54	2.45	2.40	2.41	2.34	2.35	2.39	2.49	2.56
1986	2.55	2.47	2.46	2.41	2.44	2.33	2.39	2.40	2.46	2.49	2.47	2.47
Rib roast, bone in												
1984	3.45	3.44	3.42	3.35	3.39	3.37	3.38	3.32	3.22	3.26	3.23	3.34
1985	3.43	3.28	3.32	3.29	3.30	3.29	3.27	3.24	3.19	3.20	3.21	3.37
1986	3.36	3.33	3.20	3.29	3.16	3.21	3.19	3.29	3.28	3.18	3.31	3.39
Round steak, boneless												
1984	2.93	2.96	2.98	2.96	2.90	2.90	2.83	2.89	2.87	2.89	2.85	2.92
1985	2.94	2.94	2.95	2.90	2.88	2.84	2.76	2.68	2.67	2.69	2.78	2.83
1986	2.91	2.82	2.82	2.75	2.74	2.74	2.66	2.69	2.76	2.79	2.75	2.80
Sirloin steak, bone in												
1984	2.89	3.06	3.09	3.18	3.09	3.17	3.18	3.11	3.09	2.98	3.00	3.07
1985	2.98	2.97	2.99	2.96	3.00	3.08	3.06	2.94	2.87	2.82	2.84	2.98
1986	2.90	2.97	2.84	2.90	2.99	3.01	3.07	3.01	3.01	2.94	2.91	2.93
Chuck steak, bone in												
1984	1.75	1.80	1.78	1.78	1.72	1.65	1.59	1.63	1.62	1.68	1.77	1.76
1985	1.72	1.74	1.71	1.66	1.62	1.54	1.53	1.56	1.54	1.60	1.68	1.74
1986	1.72	1.58	1.62	1.52	1.48	1.50	1.47	1.60	1.55	1.62	1.69	1.69
T-Bone steak, bone in												
1984	3.83	3.86	3.86	3.98	3.93	4.06	4.06	4.02	3.95	3.91	3.96	3.97
1985	3.96	3.97	3.98	4.03	3.98	4.09	4.10	3.91	3.87	3.78	3.86	4.05
1986	3.99	3.91	3.87	3.90	3.96	3.99	4.06	4.11	4.09	3.85	3.92	3.97
Porterhouse steak, bone in												
1984	3.76	3.91	4.06	4.04	4.10	4.18	4.16	4.21	4.11	3.98	4.03	4.14
1985	4.10	4.04	4.00	4.04	4.04	4.04	4.22	4.03	4.05	3.98	3.91	4.04
1986	4.08	3.96	3.92	3.96	4.16	4.22	4.29	4.29	4.28	4.26	4.29	4.17
PORK												
Bacon, sliced												
1984	1.81	1.88	1.80	1.80	1.82	1.83	1.90	1.90	1.89	1.90	1.87	1.89
1985	1.95	1.97	1.96	1.95	1.93	1.89	1.95	1.96	1.93	1.95	1.93	1.92
1986	1.94	1.96	1.89	1.87	1.87	1.95	2.16	2.33	2.37	2.30	2.19	2.16
Chops, center cut												
1984	2.41	2.36	2.34	2.35	2.28	2.37	2.43	2.52	2.40	2.37	2.35	2.37
1985	2.37	2.41	2.35	2.27	2.24	2.31	2.35	2.34	2.34	2.30	2.38	2.39
1986	2.47	2.42	2.38	2.36	2.40	2.48	2.76	2.81	2.82	2.74	2.72	2.75

Continued--

Table 54--Average retail price of specified meat cuts, per pound, by months--Continued

Year and item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Dollars											
Ham, rump or shank half												
1984	1.33	1.32	1.32	1.30	1.28	1.28	1.27	1.32	1.35	1.37	1.35	1.37
1985	1.36	1.32	1.34	1.22	1.27	1.24	1.24	1.26	1.25	1.27	1.29	1.36
1986	1.38	1.42	1.38	1.30	1.32	1.33	1.46	1.52	1.58	1.66	1.68	1.63
Sirloin roast, bone in												
1984	1.67	1.67	1.65	1.66	1.61	1.64	1.66	1.73	1.66	1.62	1.60	1.60
1985	1.68	1.63	1.60	1.55	1.54	1.50	1.62	1.58	1.54	1.58	1.61	1.65
1986	1.66	1.65	1.65	1.64	1.65	1.67	1.90	1.89	1.89	1.89	1.87	1.91
Shoulder picnic, bone in												
1984	1.04	1.03	.98	1.03	1.02	.98	.98	.98	.99	1.01	1.02	1.02
1985	1.06	1.03	1.04	1.04	.99	.98	1.01	1.03	1.00	1.01	1.02	1.07
1986	1.06	1.03	1.00	1.00	.96	.99	1.01	1.12	1.14	1.18	1.18	1.18
Sausage, fresh, pork, loose												
1984	1.66	1.72	1.68	1.66	1.72	1.74	1.72	1.76	1.72	1.74	1.74	1.70
1985	1.72	1.78	1.77	1.74	1.75	1.73	1.75	1.74	1.72	1.66	1.69	1.78
1986	1.84	1.79	1.86	1.78	1.77	1.76	1.85	1.94	2.05	2.10	2.07	2.05
MISCELLANEOUS CUTS												
Ham, canned, 3 or 5 lbs												
1984	2.59	2.59	2.58	2.53	2.55	2.54	2.52	2.54	2.57	2.60	2.53	2.57
1985	2.64	2.66	2.70	2.55	2.57	2.53	2.52	2.52	2.51	2.51	2.50	2.49
1986	2.56	2.68	2.58	2.57	2.55	2.57	2.58	2.64	2.70	2.82	2.94	2.92
Frankfurters, all meat												
1984	1.76	1.80	1.81	1.78	1.80	1.81	1.80	1.81	1.81	1.82	1.78	1.80
1985	1.81	1.83	1.82	1.80	1.81	1.81	1.77	1.77	1.83	1.86	1.82	1.83
1986	1.91	1.92	1.88	1.85	1.87	1.89	1.91	1.96	2.00	1.97	1.98	2.02
Bologna												
1984	2.07	2.09	2.12	2.10	2.13	2.15	2.16	2.14	2.17	2.15	2.16	2.14
1985	2.12	2.10	2.11	2.15	2.13	2.12	2.11	2.09	2.13	2.11	2.07	2.12
1986	2.14	2.09	2.12	2.12	2.10	2.11	2.15	2.19	2.23	2.25	2.27	2.27
Beef liver												
1984	.96	.96	.96	.98	.97	.98	.99	1.00	1.00	.99	1.00	1.00
1985	.95	.96	.97	.96	.94	.98	.96	.95	.94	.93	.95	1.04
1986	.99	.96	.95	.97	.96	.97	.98	.94	.95	.98	1.01	1.01

Table 55--CPI meat prices, and relationship of individual meat indexes to index for meat, poultry, fish, and eggs

Year	Indexes					Percent of meat, poultry, fish and eggs index			
	Meat, poultry, fish & eggs	Beef and veal	Pork	Poultry	Eggs	Beef and veal	Pork	Poultry	Eggs
	- - - 1967=100 - - -					- - - Percent - - -			
1970	117.3	119.5	115.9	108.4	125.6	102	99	92	107
1971	116.2	124.9	105.0	109.0	108.4	107	90	94	93
1972	126.4	136.6	121.6	110.4	107.7	108	96	87	85
1973	160.4	163.8	161.7	154.8	160.2	102	101	97	100
1974	163.7	168.5	161.0	146.9	160.8	103	98	90	98
1975	176.4	170.0	196.9	162.4	157.8	96	112	92	89
1976	178.9	164.5	199.5	155.7	172.4	92	112	87	96
1977	177.5	163.6	188.8	156.7	166.9	92	106	88	94
1978	204.3	201.0	213.1	172.9	157.8	98	104	85	77
1979	234.2	255.8	216.4	181.5	172.8	109	92	77	74
1980	242.2	270.3	209.1	190.8	169.7	112	86	79	70
1981	252.8	272.6	228.6	198.6	183.8	108	90	79	73
1982	262.1	276.5	258.1	195.1	178.7	105	98	74	68
1983	261.0	272.3	255.8	197.5	187.1	104	98	76	72
1984	266.6	275.6	252.5	218.5	209.0	103	95	82	78
1985									
Jan.	266.6	276.4	258.5	217.4	161.3	104	97	82	61
Feb.	267.0	275.6	258.9	219.5	169.7	103	97	82	64
Mar.	266.1	275.3	256.5	217.3	172.1	103	96	82	65
I	266.6	275.8	258.0	218.1	167.7	103	97	82	63
Apr.	263.6	273.7	249.0	216.7	169.9	104	94	82	64
May	259.8	269.0	247.8	213.6	159.9	104	95	82	62
June	259.8	267.4	248.6	216.0	158.3	103	96	83	61
II	261.1	270.0	248.5	215.4	162.7	103	95	82	62
July	260.5	264.7	253.1	214.7	168.4	102	97	82	65
Aug.	259.7	261.8	253.8	213.9	171.0	101	98	82	66
Sept.	260.0	261.1	252.1	215.9	185.7	100	97	83	71
III	260.3	262.5	253.0	214.8	175.0	101	97	83	67
Oct.	261.1	263.2	249.4	214.3	187.4	103	94	82	70
Nov.	266.1	270.8	254.0	216.8	190.8	102	95	81	70
Dec.	269.9	277.8	254.7	220.3	196.7	103	94	82	70
IV	265.7	270.6	252.7	217.1	191.6	102	95	82	70
Annual	263.4	269.7	253.0	216.4	174.3	102	96	82	66
1986									
Jan.	271.5	275.7	259.3	218.2	194.4	102	96	80	72
Feb.	268.4	272.3	257.0	218.5	186.7	101	96	81	70
Mar.	267.7	271.3	253.4	218.2	190.8	101	95	82	71
I	269.2	273.1	256.6	218.3	190.6	101	96	81	71
Apr.	264.2	266.0	249.9	215.7	188.8	101	94	82	71
May	263.4	264.9	250.0	218.7	173.7	101	95	83	66
June	265.1	264.9	257.0	223.7	166.9	100	97	84	63
II	264.2	265.3	252.3	219.4	176.5	100	95	83	67
July	274.9	267.6	278.0	240.3	175.2	97	101	87	64
Aug.	283.0	270.9	292.6	255.0	192.9	96	103	90	68
Sept.	284.7	272.4	300.1	249.5	186.0	96	105	88	65
III	280.9	270.3	290.2	248.3	184.7	96	103	88	66
Oct.	284.9	273.8	298.0	247.8	186.2	96	105	87	65
Nov.	286.3	277.6	295.6	245.2	195.8	97	103	86	68
Dec.	287.3	279.5	294.2	241.9	198.6	97	102	86	69
IV	286.2	277.0	295.9	245.0	193.5	97	103	86	68

Table 56--Total red meat supply and utilization by quarters, carcass and retail weight, 1982-87 1/--Continued

Year	Commercial production	Farm production	Beginning stocks	Imports	Total supply	Exports	Shipments	Military purchases	Ending stocks	Total disappearance	Per capita disappearance: Carcass weight	Per capita disappearance: Retail weight	Population
	- - - - Million pounds - - - -										- Pounds -		Million
VEAL:													
1982	423	25	9	18.76	475.76	3.80	1.47	6	7	457.49	1.99	1.65	230.30
1983	428	25	7	18.55	478.55	4.06	1.09	7	9	457.40	1.97	1.64	232.60
1984	479	16	9	24.09	528.09	5.65	1.35	4	14	503.09	2.14	1.78	234.80
1985													
I	119	6	14	4.85	143.85	.90	.07	1	11	130.88	.55	.46	236.20
II	120	2	11	5.85	138.85	.94	.05	2	11	124.86	.53	.44	236.80
III	126	2	11	2.72	141.72	1.05	.35	2	10	128.32	.54	.45	237.40
IV	134	6	10	6.28	156.28	.74	.27	2	11	142.67	.60	.50	237.90
Year	499	16	14	19.70	548.70	3.63	.74	7	11	526.73	2.22	1.84	237.00
1986													
I	129	6	11	7.49	153.49	.90	.25	1	10	141.01	.59	.49	238.50
II	129	2	11	3.86	145.86	.81	.23	2	9	134.14	.56	.46	239.00
III 2/	130	2	9	4.11	143.11	1.64	.31	1	7	134.43	.56	.47	239.60
IV 2/	122	6	7	11.33	146.33	1.41	.07	1	6	136.75	.57	.47	240.20
Year 3/	510	16	11	26.79	563.79	4.76	.86	7	7	545.33	2.28	1.89	239.34
1987 3/	410	16	7	20.00	453.00	4.00	1.00	7	7	464.00	1.90	1.60	241.50
TOTAL RED MEAT:													
1982	37,266	312	541	2,588.72	40,707.71	469.56	210.35	238	529	39,260.79	170.48	139.29	230.30
1983	38,972	298	529	2,670.00	42,469.00	496.93	185.14	217	646	40,923.93	175.94	143.91	232.60
1984	38,988	296	646	2,821.09	42,751.09	500.19	198.44	202	653	41,197.46	175.46	143.60	234.80
1985													
I	9,522	96	653	742.19	11,013.19	116.59	45.82	46	666	10,138.78	42.92	35.12	236.20
II	9,869	41	666	838.83	11,414.83	115.47	46.10	53	701	10,499.26	44.33	36.19	236.80
III	9,931	40	701	906.57	11,578.57	117.97	40.73	50	604	10,748.89	45.29	36.86	237.40
IV	9,814	96	604	764.26	11,278.26	111.16	53.22	45	570	10,489.28	44.13	36.19	237.90
Year	39,136	273	653	3,251.85	43,313.85	461.19	185.87	194	570	41,902.79	176.80	144.36	237.00
1986													
I	9,553	96	570	798.71	11,016.71	118.50	47.07	41	573	10,237.18	42.92	35.05	238.50
II	10,021	41	573	743.02	11,379.02	111.86	42.37	56	593	10,575.21	44.23	35.97	239.00
III 2/	9,722	40	593	933.74	11,288.74	160.18	42.74	51	500	10,536.89	43.60	35.50	239.60
IV	9,742	96	500	797.00	11,135.00	207.00	50.23	58	527	10,309.43	42.92	35.08	240.2
Year 3/	38,741	273	570	3,267.00	42,851.00	597.00	182.41	188	527	41,658.71	174.01	141.68	239.40
1987 3/	37,460	273	527	3,315.00	41,570.00	631.00	202.00	197	565	39,980.00	165.50	135.30	241.50

1/ Totals may not add because of rounding. 2/ Preliminary. 3/ Forecast. 4/ Less than .5.

Table 56--Total red meat supply and utilization by quarters, carcass and retail weight, 1982-86 1/

Year	Commer-cial pro-duction	Farm pro-duction	Begin-ning stocks	Imports	Total supply	Exports	Ship-ments	Mili-tary pur-chases	Ending stocks	Total disap-pearance	Per capita disappearance		Popu-lation
											Carcass weight	Retail weight	
				- - - - Million pounds - - - -							- - Pounds - -		Million
BEEF:													
1982	22,366	170	257	1,939.18	24,732.18	249.74	55.30	135	294	23,998.13	104.28	77.17	230.30
1983	23,060	183	294	1,931.07	25,468.07	272.10	40.23	121	325	24,709.74	106.23	78.61	232.60
1984	23,418	180	325	1,823.08	25,746.08	328.76	47.26	112	358	24,900.06	106.05	78.48	234.80
1985													
I	5,692	60	358	419.60	6,529.60	81.58	12.34	28	334	6,073.68	25.71	19.03	236.20
II	5,923	26	334	534.37	6,817.32	77.12	11.99	31	296	6,401.21	27.03	20.00	236.80
III	6,167	25	296	632.58	7,120.58	91.26	11.64	30	308	6,679.68	28.14	20.82	237.40
IV	5,775	60	308	481.40	6,624.40	78.21	15.32	26	317	6,187.87	26.01	19.24	237.90
Year	23,557	171	358	2,070.58	26,156.90	328.17	51.29	115	317	25,345.44	106.94	79.14	237.00
1986													
I	5,769	60	317	502	6,648.00	101.67	13.00	24	297	6,212.33	26.00	19.30	238.50
II	6,247	26	297	482	7,052.00	83.00	11.70	33	322	6,602.60	27.62	20.44	239.00
III 2/	6,275	25	321	640	7,261.00	143.54	15.00	29	292	6,757.44	28.32	20.20	239.60
IV 2/	5,925	60	292	477	6,754	179.29	15.00	23	310	6,226.70	25.09	19.32	240.20
Year 3/	24,216	171	317	2,101	26,805.00	507.00	54.00	109	310	25,824.00	109.00	80.63	239.40
1987 3/	22,525	171	310	2,150	25,156.0	450.0	60.0	110	325	24,136.00	99.90	73.90	241.50
PORK:													
1982	14,121	108	264	612.11	15,105.11	214.29	151.16	96	219	14,424.66	62.63	59.00	230.30
1983	15,117	82	219	701.61	16,119.61	219.32	141.60	89	301	15,368.69	66.07	62.17	232.60
1984	14,720	92	301	953.92	16,066.92	163.85	147.00	86	274	15,396.07	65.57	61.76	234.80
1985													
I	3,618	28	274	313.14	4,233.14	33.84	32.74	17	314	3,835.56	16.24	15.26	236.20
II	3,743	11	314	287.71	4,355.71	37.20	33.48	18	385	3,883.13	16.40	15.41	236.80
III	3,553	12	385	264.80	4,214.80	25.42	28.06	18	277	3,866.32	16.28	15.31	237.40
IV	3,814	28	277	262.13	4,381.13	31.92	37.10	17	229	4,066.11	17.09	16.07	237.90
Year	14,728	79	274	1,127.78	16,208.78	128.38	131.38	70	229	15,651.02	66.02	62.06	237.00
1986													
I	3,565	28	229	279.23	4,101.23	15.57	33.30	16	254	3,782.36	15.86	14.91	238.50
II	3,567	12	254	246.64	4,079.64	28.08	30.00	21	248	3,752.56	15.70	14.76	239.00
III 2/	3,237	12	248	281.57	3,778.57	14.73	35.00	19	186	3,523.84	14.70	13.80	239.60
IV 2/	3,614	28	186	299.51	4,127.51	26.50	35.00	17	197	3,852.01	16.04	15.07	240.20
Year 3/	13,983	80	229	1,106.95	15,398.95	84.88	126.10	73	197	14,917.97	62.33	58.59	239.40
1987 3/	14,175	80	197	1,100.00	15,552.00	100.00	140.00	80	225	15,007.00	62.10	58.40	241.50
LAMB AND MUTTON:													
1982	356	9	11	18.67	394.67	1.72	2.42	1	9	380.52	1.65	1.47	230.30
1983	367	8	9	18.77	402.77	1.45	2.22	0	11	388.10	1.67	1.49	232.60
1984	371	8	11	20.00	410.00	1.93	2.83	0	7	398.24	1.70	1.51	234.80
1985													
I	93	2	7	4.60	106.60	.27	.67	-	7	98.66	.42	.37	236.22
II	83	1	7	10.95	102.95	.21	.58	-	9	93.16	.39	.35	236.80
III	85	1	9	6.47	101.47	.24	.68	-	9	91.55	.39	.34	237.40
IV	91	2	9	14.45	116.45	.29	.53	-	13	102.63	.43	.38	237.90
Year	352	6	7	36.47	402.47	1.01	2.46	-	13	386.00	1.63	1.45	237.00
1986													
I	90	2	13	10.30	115.30	.36	.62	0	12	102.32	.43	.38	238.50
II	78	1	12	11.00	101.50	.25	.44	0	14	86.81	.36	.35	239.00
III 3/	80	1	14	8.08	103.08	.27	.53	0	14	88.28	.37	.33	239.60
IV 2/	81	2	14	10.44	107.44	.27	.16	0	13	94.01	.39	.35	240.20
Year 3/	329	6	13	39.32	387.32	1.15	1.75	0	14	371.42	1.55	1.40	239.34
1987 3/	325	6	13	40.00	384.00	2.00	1.00	0	8	373.00	1.54	1.37	241.50

Table 57--Poultry: Supply and utilization, 1985-86 1/

Year	Total production	Beginning stocks	Total supply	Exports	Shipments	Military purchases	Ending Stocks	Civilian disappearance Total	Civilian disappearance Per capita 3/
	------ Million pounds ------								Pounds
Young chicken:									
1985 4/									
I	3,272.3	19.7	3,292.0	100.0	39.0	7.1	24.1	3,121.8	13.2
II	3,562.3	24.1	3,286.4	102.3	34.8	10.3	28.5	3,410.4	14.4
III	3,535.5	28.5	3,564.0	104.6	34.1	7.5	27.7	3,390.1	14.3
IV	3,391.5	27.7	3,419.2	110.0	35.0	8.9	26.6	3,238.8	13.6
Year	13,761.6	19.7	13,7813.2	416.9	142.9	33.9	26.6	13,161.1	55.5
1986 4/									
I	3,451.4	26.6	3,478.0	120.8	36.0	7.2	23.8	3,290.2	13.8
II	3,721.9	23.8	3,745.7	135.1	34.0	11.0	23.3	3,542.2	14.8
III	3,668.4	23.3	3,691.7	131.9	41.5	9.5	26.0	3,482.8	14.5
IV									
Year 5/	14,442	26.6	14,469	554	147	35	24.1	13,710	57.3
1987 5/	15,284	24.1	15,308	700	140	36	25	14,407	59.6
Other chicken:									
1985 4/									
I	185.7	119.2	304.9	3.3	.2	.6	142.7	158.0	0.7
II	161.6	142.7	304.4	4.7	.2	.4	143.7	155.2	0.7
III	143.7	143.7	287.4	6.5	.1	.5	148.2	132.1	0.6
IV	144.6	148.2	292.9	6.1	.8	.5	144.1	141.4	0.6
Year	635.7	119.2	754.8	20.6	1.4	2.1	144.1	586.8	2.5
1986 4/									
I	172.8	144.1	316.9	3.4	.5	.4	160.7	151.7	.6
II	184.6	160.7	345.3	3.8	.6	.7	156.9	183.2	.8
III	158.2	156.9	315.6	4.4	.9	.5	147.3	162.0	.7
IV									
Year 5/	670	144.1	814	16	3	2	167.1	626	2.6
1987 5/	640	67.1	807	20	4	1	130	652	2.7
Total chicken:									
1985 4/									
I	3,458.0	138.9	3,596.9	103.3	39.2	7.8	166.8	3,279.8	13.9
II	3,724.0	166.8	3,890.8	107.0	35.1	10.8	172.3	3,565.7	15.1
III	3,679.2	172.3	3,851.5	111.1	34.2	8.0	176.0	3,522.2	14.8
IV	3,536.1	176.0	3,712.1	116.1	35.8	9.4	170.6	3,380.2	14.2
Year	14,397.3	138.9	14,536.2	437.5	144.2	36.0	170.6	13,747.9	58.0
1986 4/									
I	3,624.2	170.6	3,794.8	124.2	36.5	7.6	184.5	3,441.9	14.4
II	3,906.4	184.5	4,090.9	138.9	34.6	11.7	180.2	3,725.4	15.6
III	3,826.6	180.2	4,006.8	136.3	42.4	10.0	173.3	3,644.8	15.2
IV									
Year 5/	15,112	170.7	15,283	570	150	37	191.2	14,336	59.9
1987 5/	15,924	191.2	16,115	720	144	37	155	15,059	62.3
Turkey:									
1985 4/									
I	506.1	125.3	631.4	6.1	0.7	2.4	131.1	491.1	2.1
II	660.0	131.1	791.1	4.6	1.0	2.7	243.3	539.5	2.3
III	898.4	243.3	1,141.6	7.3	1.0	4.4	444.5	684.5	2.9
IV	877.6	444.5	1,322.0	9.3	3.9	3.5	150.2	1,155.2	4.9
Year	2,942.1	125.3	3,067.4	27.2	6.6	13.0	150.2	2,870.4	12.1
1986 4/									
I	583.6	150.2	733.8	4.8	.3	1.5	150.0	577.1	2.4
II	753.4	150.0	903.4	5.3	.1	1.8	294.0	602.2	2.5
III	987.2	294.0	1,281.2	6.7	.8	5.3	511.6	756.9	3.2
IV									
Year 5/	3,302	150.2	3,452	25	3	10	178.1	3,234	13.5
1987 5/	3,783	178.1	3,961	25	4	16	150	3,766	15.6
Total poultry:									
1985 4/									
I	3,964.1	264.2	4,228.4	109.4	39.9	10.2	297.9	3,771.0	16.0
II	4,384.0	297.9	4,681.9	111.6	36.0	13.5	415.5	4,105.2	17.3
III	4,577.6	415.5	4,993.1	118.4	35.2	12.4	620.4	4,206.7	17.7
IV	4,413.7	620.4	5,034.1	125.3	39.6	12.9	320.8	4,535.4	19.1
Year	17,339.4	264.2	17,603.6	464.7	150.8	49.0	320.8	16,618.3	70.1
1986 4/									
I	4,207.7	320.8	4,528.5	129.1	36.9	9.1	334.5	4,019.0	16.9
II	4,659.8	334.5	4,994.3	144.2	34.7	13.5	474.3	4,327.6	18.1
III	4,813.9	474.3	5,288.2	143.1	43.2	15.3	684.8	4,401.7	18.4
IV									
Year 5/	18,414	320.8	18,734	595	153	47	369.4	17,570	73.4
1987 5/	19,706	369.4	20,076	745	148	53	305	18,825	77.9

1/ Totals may not add because of rounding. 2/ Total production is estimated by multiplying the federally inspected slaughter by the ratio of the annual total production to the annual federally inspected slaughter. The ratio for 1986 and 1987 is the same as in 1985. 3/ Calculated from unrounded data. 4/ Preliminary. 5/ Forecast.

Table 58--Total red meat and poultry supply and utilization, 1982-87 1/

Year	Total production	Beginning stocks	Imports	Total supply	Exports and shipments	Military	Ending stocks	Total civilian disappearance	Per capita disappearance
	Million pounds								Pounds
1982									
Year	53,011	929	2,589	56,529	1,410	286	868	53,965	203.1
1983									
I	13,057	868	720	14,645	321	64	870	13,389	50.0
II	13,623	870	704	15,197	339	74	950	13,834	51.8
III	14,018	950	717	15,684	309	71	1,066	14,238	52.9
IV	14,338	1,067	530	15,935	359	57	921	14,599	54.5
Year	55,036	868	2,670	58,574	1,328	267	921	56,060	209.1
1984									
I	13,461	921	685	15,066	328	53	946	13,740	50.9
II	13,891	946	633	15,470	306	80	1,072	14,011	52.0
III	13,892	1,072	783	15,746	333	63	1,114	14,236	52.6
IV	14,432	1,114	721	16,268	345	55	917	14,951	55.4
Year	55,676	921	2,821	59,418	1,312	251	917	56,938	210.9
1985									
I	13,586	917	743	15,242	313	56	964	13,909	51.1
II	14,138	964	842	16,099	309	65	1,117	14,610	53.6
III	14,383	1,117	907	16,572	311	62	1,224	14,974	54.7
IV	14,107	1,224	763	16,311	329	58	891	15,033	55.3
Year	56,007	917	3,255	60,920	1,536	241	891	58,526	214.6
1986									
I	13,658	891	799	15,545	331	50	908	14,256	51.9
II	14,557	908	744	16,373	334	69	1,065	14,905	54.1
III 2/	14,407	1,065	934	16,575	396	66	1,185	14,927	53.8
IV 2/	14,344	1,185	797	16,552	474	67	896	15,115	55.1
Year 3/	56,966	891	3,244	61,489	1,546	253	896	59,203	215.0
1987									
Year 3/	56,630	896	3,315	61,646	1,726	250	870	58,800	213.2

1/ Totals may not add due to rounding. 2/ Preliminary. 3/ Forecast.

Table 59--Expenditures per person for red meat and poultry 1/

Year and qtr.	Beef $	Beef % of income	Pork $	Pork % of income	Red meat $	Red meat % of income	Broilers $	Broilers % of income	Turkeys $	Turkeys % of income	Poultry $	Poultry % of income	Total 2/ $	Total 2/ % of income
1980	181.76	2.26	95.07	1.18	276.83	3.45	35.96	0.45	9.32	0.12	45.28	0.56	322.11	4.01
1981	184.52	2.07	99.06	1.11	283.58	3.18	34.48	.39	10.45	.12	44.93	.50	328.51	3.69
1982	187.45	2.00	103.66	1.11	291.11	3.10	34.20	.36	9.91	.11	44.11	.47	335.22	3.57
1983	187.38	1.88	105.62	1.06	293.00	2.94	37.06	.37	10.27	.10	47.33	.47	340.33	3.42
1984														
I	47.06	1.77	24.87	.94	71.94	2.70	10.86	.41	1.89	.07	12.74	.48	84.68	3.19
II	46.73	1.73	24.23	.90	70.95	2.63	11.36	.42	2.13	.08	13.49	.50	84.44	3.13
III	47.24	1.72	24.27	.88	71.51	2.60	10.98	.40	2.74	.10	13.62	.50	85.13	3.10
IV	47.22	1.70	26.94	.97	74.17	2.66	9.96	.36	4.61	.17	14.57	.52	88.73	3.19
Year	188.33	1.73	100.28	.92	288.60	2.65	43.14	.40	11.25	.10	54.39	.50	343.00	3.15
1985														
I	45.65	1.59	25.31	.88	70.96	2.47	10.10	.35	2.25	.08	12.35	.43	83.31	2.90
II	46.88	1.59	24.58	.83	71.46	2.42	10.75	.36	2.38	.08	13.13	.44	84.59	2.86
III	47.13	1.61	24.65	.84	71.78	2.45	10.67	.36	3.05	.10	13.72	.47	85.51	2.92
IV	43.53	1.47	25.75	.87	69.28	2.34	10.34	.35	5.12	.17	15.46	.52	84.74	2.86
Year	183.97	1.57	100.62	.86	284.58	2.43	41.72	.36	12.78	.11	54.39	.46	338.97	2.89
1986														
I	45.01	1.48	24.99	.82	70.00	2.30	10.60	.35	2.55	.08	13.15	.44	83.14	2.73
II	46.27	1.50	24.23	.79	70.50	2.29	11.43	.37	2.58	.08	14.01	.47	84.50	2.74
III	47.97	1.56	26.14	.85	74.11	2.41	13.33	.43	3.49	.11	16.82	.54	90.92	2.95
IV	44.79	1.42	29.13	.92	73.92	2.34	11.98	.38	5.82	.18	17.80	.56	91.72	2.91
Year	184.10	1.49	104.56	.85	288.65	2.34	47.30	.38	14.40	.12	61.70	.50	350.42	2.83

1/ Red meat includes beef and pork only; poultry includes broilers and turkeys only. 2/ Total includes beef, pork, broilers, and turkeys only.

Table 60--Selected price statistics for meat animals and meat

Item	1986															
	Jan.	Feb.	Mar.	I	Apr.	May	June	II	July	Aug.	Sept.	III	Oct.	Nov.	Dec.	IV
	Dollars per cwt															
SLAUGHTER STEERS:																
Omaha:																
Choice, 900-1100 lb	59.69	56.42	55.55	57.22	53.68	55.79	54.08	54.52	58.27	59.04	59.43	58.91	59.73	61.54	59.32	60.36
Good, 900-1100 lb	54.35	53.38	50.86	52.86	49.13	48.78	47.64	48.52	50.55	52.27	53.66	52.16	54.96	56.23	53.87	55.07
California, Choice 900-1100 lb	60.85	57.75	57.44	58.68	55.90	56.90	53.88	55.56	56.55	59.00	59.06	58.20	59.70	61.38	60.10	60.39
Colorado, Choice 900-1100 lb	59.94	56.94	56.38	57.75	55.52	57.27	55.83	56.21	58.99	59.87	60.71	59.86	62.04	63.47	60.58	62.03
Texas, Choice 900-1100 lb	60.81	57.74	57.43	58.66	55.91	57.95	55.81	56.56	59.28	59.84	60.44	59.85	61.90	63.73	61.45	62.36
SLAUGHTER HEIFERS:																
Omaha:																
Choice, 900-1100 lb	59.38	55.90	54.70	56.66	53.30	55.72	54.30	54.44	58.03	56.16	59.38	57.86	59.51	61.80	59.72	60.34
Good, 700-900 lb	54.43	52.09	50.82	52.45	49.67	51.54	49.50	50.24	52.83	54.02	54.33	53.73	54.81	56.44	54.48	55.24
COWS:																
Omaha:																
Commercial	34.24	36.95	37.40	36.20	35.09	37.15	38.30	36.85	37.97	38.09	38.88	38.31	37.80	35.78	35.79	36.46
Utility	34.94	37.62	38.00	36.85	35.95	37.91	38.77	37.54	38.32	37.62	38.42	38.12	37.32	35.88	35.48	36.23
Cutter	33.93	36.05	36.86	35.61	35.05	37.46	37.80	36.10	37.40	36.59	36.91	36.97	35.52	34.32	33.47	34.44
Canner	31.04	32.92	33.43	32.46	31.92	33.81	34.31	33.35	33.71	32.30	33.43	33.15	32.48	31.01	29.89	31.13
VEALERS:																
Choice, So. St. Paul	45.00	52.50	55.00	50.83	55.00	55.83	61.10	57.31	62.13	62.50	67.50	64.04	67.50	67.50	67.50	67.50
FEEDER STEERS: 1/																
Kansas City:																
Medium No. 1, 400-500 lb	67.65	71.35	71.64	70.21	69.20	68.95	65.13	67.76	67.20	71.13	72.88	70.40	70.00	68.50	69.40	69.30
Medium No. 1, 600-700 lb	62.16	62.42	63.22	62.60	60.32	60.40	58.50	59.74	61.00	65.75	65.50	64.08	65.10	64.13	65.00	64.73
All weights and grades	59.51	59.33	57.95	58.93	56.68	62.21	53.69	57.53	57.98	62.20	61.51	60.56	61.94	62.77	62.83	62.51
Amarillo:																
Medium No. 1, 600-700 lb	62.41	62.81	59.03	61.42	55.15	54.28	54.88	54.77	61.08	63.63	63.50	62.74	61.65	62.75	63.58	62.66
Georgia auctions:																
Medium No. 1, 600-700 lb	58.00	58.75	57.62	58.12	57.62	53.25	52.75	54.54	56.50	58.00	59.38	57.96	56.40	57.33	57.33	57.02
Medium No. 2, 400-500 lb	58.38	60.75	60.00	59.71	60.00	54.75	54.62	56.46	57.75	58.75	60.50	59.00	59.30	58.33	58.33	58.65
FEEDER HEIFERS:																
Kansas City:																
Medium No. 1, 400-500 lb	56.25	60.20	59.42	58.62	59.04	58.50	55.50	57.68	57.30	60.75	63.25	60.43	60.70	58.88	59.80	59.79
Medium No. 1, 600-700 lb	54.91	55.95	55.32	55.39	53.32	51.05	50.00	51.46	56.10	59.25	60.75	58.70	59.65	58.25	59.20	59.03
SLAUGHTER HOGS:																
Barrows and gilts:																
Omaha:																
No. 1 & 2, 210-240 lb	46.82	44.44	41.70	44.32	41.15	48.62	55.37	48.38	61.88	63.76	60.51	62.05	55.35	55.04	53.49	54.63
All weights	45.46	43.46	40.88	43.27	40.15	46.99	54.41	47.18	60.88	63.11	59.21	61.07	54.67	53.73	51.25	53.22
Sioux City	45.60	43.80	41.08	43.49	40.59	47.47	54.95	47.42	61.59	63.66	59.59	61.61	54.86	54.44	52.02	53.77
7 markets 2/	45.48	43.55	40.88	43.30	40.27	46.91	54.50	47.14	60.99	63.39	59.01	61.13	54.21	53.62	51.42	53.08
Sows:																
7 markets 2/	30.18	39.46	38.89	38.84	38.91	41.57	45.97	42.11	50.86	55.98	55.59	54.14	50.25	48.03	42.91	47.06
FEEDER PIGS:																
No. 1 & 2, So. Mo., 40-50 lb (per hd.)	30.96	37.26	41.33	36.52	37.98	39.97	41.92	39.96	50.76	56.64	59.63	55.68	53.23	50.00	47.69	50.31

Continued--

Table 60--Selected price statistics for meat animals and meat--Continued

Item	1986															
	Jan.	Feb.	Mar.	I	Apr.	May	June	II	July	Aug.	Sept.	III	Oct.	Nov.	Dec.	IV
	Dollars per cwt															
SLAUGHTER LAMBS:																
Lambs, Choice, San Angelo	65.81	67.50	63.58	65.63	74.22	81.25	77.36	77.37	73.84	68.12	66.38	69.45	59.65	65.42	73.33	66.13
Lambs, Choice, So. St. Paul	62.70	70.40	66.60	66.57	70.70	78.72	72.20	73.87	71.13	65.53	60.43	65.70	57.76	67.81	72.50	66.02
Ewes, Good, San Angelo	34.69	31.88	33.12	33.23	32.20	33.94	35.88	34.01	35.31	34.88	29.38	33.19	36.85	37.58	38.00	37.48
Ewes, Good, So. St. Paul	29.07	25.88	20.60	25.18	NA	23.00	21.20	22.10	20.12	20.08	20.50	20.23	20.50	20.50	20.50	20.50
FEEDER LAMBS:																
Choice, San Angelo	77.90	75.12	66.69	73.24	79.98	84.22	84.69	82.96	79.97	80.00	83.88	81.28	81.45	83.50	89.92	84.96
Choice, So. St. Paul	70.10	73.48	74.00	72.53	72.08	73.35	77.40	74.28	74.95	74.53	69.50	72.99	66.32	72.80	79.18	72.77
FARM PRICES:																
Beef cattle	53.20	53.00	52.40	52.87	50.30	51.00	50.10	50.47	52.90	54.40	54.60	53.97	54.40	54.60	53.20	54.06
Calves	60.10	62.80	61.90	61.60	58.90	58.00	58.10	58.33	59.40	61.10	63.40	61.30	62.70	62.20	62.20	66.37
Hogs	44.30	42.80	40.40	42.50	39.70	45.80	52.60	46.03	59.00	62.10	58.30	59.80	53.10	52.80	50.60	52.17
Sheep	29.90	26.10	23.00	26.33	24.90	24.10	25.90	24.97	26.70	26.40	27.30	26.80	25.50	26.20	29.30	27.00
Lambs	63.90	67.00	64.90	65.27	69.10	76.30	74.00	73.13	71.90	69.50	67.60	69.67	62.50	69.30	73.20	68.33
MEAT PRICES:																
Wholesale:																
Central U.S. markets																
Steer beef, Choice, 600-700 lb	92.26	86.82	85.04	88.04	83.34	86.42	83.58	84.45	89.25	90.98	90.50	90.24	91.80	95.70	92.04	93.18
Heifer beef, Choice 500-600 lb	90.42	84.94	83.09	86.15	82.00	85.16	82.40	83.19	88.32	90.48	90.09	89.63	90.78	94.63	90.25	91.89
Cow beef, Canner and Cutter	69.71	72.92	72.12	71.58	68.76	71.39	73.41	71.19	73.33	71.50	72.60	72.48	71.44	68.92	69.58	69.98
Pork loins, 14-17 lb 4/	95.43	91.75	88.12	91.77	89.31	102.53	111.58	101.14	121.77	125.73	118.84	122.11	109.81	100.13	102.30	104.08
Pork bellies, 12-14 lb	61.27	51.50	50.80	54.52	49.45	61.82	71.83	61.03	90.08	89.10	75.64	84.94	60.32	63.30	64.72	62.78
Hams, skinned, 14-17 lb	64.44	63.00	61.12	62.85	58.20	64.89	69.69	64.26	85.57	92.16	98.98	92.24	105.20	109.40	87.43	100.68
East Coast:																
Lamb, Choice and Prime, 35-45 lb	144.75	149.58	150.00	148.11	151.71	161.75	156.88	156.78	149.00	142.50	136.46	142.65	127.50	144.06	156.00	142.50
Lamb, Choice and Prime, 55-65 lb	133.62	138.58	128.88	133.69	145.30	158.08	148.75	150.71	148.50	142.50	134.70	141.90	117.50	136.25	146.00	133.25
West Coast:																
Steer beef, Choice, 600-700 lb	98.80	91.12	99.50	96.47	87.60	90.13	88.67	88.80	92.10	94.50	95.33	93.98	95.00	96.69	102.30	98.00
	Cents per lb															
Retail:																
Beef, Choice	236.9	232.5	230.3	233.2	227.0	226.8	226.6	226.8	227.4	230.2	231.0	229.5	231.2	233.8	234.8	233.3
Pork	169.0	168.3	165.8	167.7	162.2	162.3	166.5	183.7	158.4	190.3	194.4	189.4	194.9	192.5	191.3	192.9
	1967=100															
Price indexes (BLS, 1967=100):																
Retail meats	270.6	268.4	266.6	269.5	262.3	262.1	264.4	262.9	272.9	279.8	283.6	278.8	283.9	285.4	286.3	285.4
Beef and veal	275.7	272.3	271.3	274.0	266.0	264.9	264.9	265.3	267.6	270.9	272.4	270.3	273.8	277.6	279.5	277.0
Pork	259.3	257.0	253.4	258.2	249.9	250.0	257.0	252.3	278.0	292.6	300.1	290.2	298.0	295.6	294.2	295.5
Other meats	269.6	271.1	269.8	270.4	267.3	269.6	270.6	269.2	274.1	278.3	282.5	278.3	283.5	285.2	286.9	285.2
Poultry	218.2	218.5	218.2	218.4	215.7	218.7	223.7	219.4	240.3	255.0	249.5	248.3	247.8	245.2	241.9	245.00
LIVESTOCK-FEED RATIOS, OMAHA 3/																
Beef steer-corn	25.6	24.4	24.0	24.7	22.9	22.8	22.3	22.7	29.0	36.6	42.4	36.0	42.5	40.3	38.9	40.6
Hog-corn	19.0	19.0	17.6	18.5	17.2	19.5	22.4	19.7	30.3	39.3	42.9	37.5	39.0	34.7	33.4	35.7

1/ Reflects new feeder cattle grades. 2/ St. Louis N.S.Y., Kansas City, Omaha, Sioux City, So. St. Joseph, So. St. Paul, and Indianapolis. 3/ Bushels of No. 2 yellow corn equivalent in value to 100 pounds live weight. 4/ Prior to January 1984 prices are 8-14 pounds. * Preliminary. NA = Not available.

Table 61--Selected marketings, slaughter, and stock statistics for meat animals and meat

Item	Jan.	Feb.	Mar.	I	Apr.	May	June	II	July	Aug.	Sept.	III	Oct.	Nov.	Dec.	IV
	1986															
	1,000 head															
FEDERALLY INSPECTED:																
Slaughter																
Cattle	3,204	2,613	2,726	8,543	3,096	3,123	3,017	9,236	3,213	3,101	3,019	9,333	3,164	2,693	2,943	8,800
Steers	1,458	1,222	1,286	3,966	1,485	1,454	1,467	4,406	1,504	1,449	1,447	1,467	1,527	1,233	1,339	4,099
Heifers	951	819	836	2,606	892	938	889	2,719	971	977	924	957	897	757	837	2,491
Cows	736	526	550	1,812	666	669	600	1,935	675	615	587	626	677	649	714	2,040
Bulls and stags	59	46	54	159	52	63	60	175	63	60	62	62	63	54	53	170
Calves	289	256	276	821	284	257	240	781	281	262	263	269	276	238	272	786
Sheep and lambs	507	441	524	1,472	477	417	406	1,300	432	426	495	451	495	400	442	1,337
Hogs	6,968	6,127	6,662	19,727	7,160	6,699	5,894	19,753	5,918	5,798	6,322	6,013	7,044	6,050	6,558	19,652
	Percent															
Percentage sows	4.9	4.6	4.1	4.5	3.9	4.3	5.1	4.4	5.8	5.5	4.9	5.4	4.2	4.4	5.1	4.6
	Pounds															
Average live wt:																
per head:																
Cattle	1,105	1,113	1,116	1,111	1,115	1,107	1,098	1,107	1,095	1,095	1,107	1,099	1,103	1,104	1,105	1,104
Calves	237	235	236	236	240	248	249	246	242	237	241	240	253	229	228	237
Sheep and lambs	118	119	118	118	118	117	116	117	114	114	117	115	118	119	122	120
Hogs	246	244	244	245	245	246	245	245	245	244	245	245	248	250	252	250
Average dressed wt:																
Beef	649	658	662	656	663	658	654	658	652	654	662	656	660	648	648	652
Veal	144	143	143	143	146	151	153	150	148	147	146	147	146	139	139	141
Lamb and mutton	60	60	59	60	60	59	58	59	57	58	59	58	60	60	61	60
Pork	177	175	176	176	177	177	176	177	175	174	176	175	178	180	181	180
Production:																
Beef	2,070	1,713	1,798	5,581	2,044	2,047	1,967	6,058	2,086	2,020	1,990	6,096	2,079	1,741	1,900	5,720
Veal	41	36	39	116	41	38	36	115	41	38	38	117	39	32	37	108
Lamb and mutton	30	26	31	87	28	24	23	75	25	24	29	78	30	24	27	81
Pork	1,230	1,071	1,166	3,467	1,261	1,180	1,035	3,476	1,034	1,009	1,107	3,150	1,247	1,083	1,181	3,511
COMMERCIAL: 1/	1,000 head															
Slaughter:																
Cattle	3,330	2,715	2,839	8,884	3,215	3,235	3,123	9,574	3,322	3,203	3,128	9,653	3,285	2,818	3,076	9,180
Calves	307	272	294	873	303	276	257	836	300	278	281	859	295	255	289	839
Sheep and Lambs	518	452	540	1,510	492	431	419	1,342	448	443	511	1,402	511	413	454	1,377
Hogs	7,185	6,306	6,855	20,346	7,354	6,884	6,076	20,314	6,098	5,972	6,502	18,572	7,240	6,239	6,792	20,271
	Million pounds															
Production:																
Beef	2,139	1,769	1,861	5,769	2,111	2,109	2,027	6,247	2,148	2,077	2,050	6,275	2,146	1,808	1,971	5,925
Veal	46	40	43	132	45	43	41	129	45	42	43	130	44	37	41	122
Lamb and mutton	31	27	32	90	29	25	24	78	25	25	30	80	30	24	27	81
Pork	1,266	1,101	1,198	3,565	1,292	1,210	1,065	3,567	1,063	1,037	1,137	3,237	1,279	1,115	1,220	3,614
COLD STORAGE STOCKS END OF QUARTER: 2/ 3/	Million pounds															
Beef	318	297	301	301	301	318	322	322	337	319	292	292	291	298	310	310
Veal	11	11	10	10	10	9	9	9	9	8	7	7	8	7	7	7
Lamb and mutton	12	14	12	12	13	13	14	14	14	15	14	14	14	14	14	14
Pork	235	239	254	254	284	280	248	248	215	185	186	186	216	206	197	197
Total meat	617	615	622	622	663	674	641	641	620	565	499	499	530	525	527	527

1/ Federally inspected and other commercial. 2/ Beginning January 1977, excludes beef and pork stocks in cooler. 3/ Stock levels end of quarter or month.

Table 62--Selected foreign trade, by months

Item	1985			1986											
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Million pounds														
Imports (carcass weight):															
Beef	161.81	151.30	168.31	187.20	159.43	155.06	143.16	148.58	190.28	232.33	207.96	199.69	176.31	184.34	116.27
Veal	1.46	1.69	3.13	3.31	3.00	1.18	.93	1.41	1.52	1.45	.90	1.76	3.12	4.72	3.49
Pork	89.28	94.08	78.74	99.26	86.72	93.24	82.54	79.58	84.52	99.61	88.48	93.48	100.98	109.26	89.27
Lamb and mutton	4.00	3.11	7.34	2.49	3.11	4.70	4.15	3.72	2.63	4.32	1.45	2.31	2.83	4.02	3.59
Exports (carcass weight):															
Beef	32.62	24.69	20.90	37.59	33.69	30.89	31.72	28.07	22.93	30.04	52.40	61.10	75.71	49.57	54.01
Veal	.19	.11	.44	.30	.30	.30	.25	.22	.34	.49	.52	.63	.47	.36	.58
Pork	9.73	13.75	8.44	5.26	4.25	6.06	10.37	10.05	7.66	4.81	4.94	4.98	6.38	10.44	9.68
Lamb and mutton	.05	.12	.12	.17	.12	.05	.08	.08	.09	.11	.07	.09	.09	.09	.09
Shipments (carcass weight):															
Beef	4.04	7.69	3.59	4.70	3.82	4.38	3.70	4.57	3.40	4.66	4.90	4.00	4.20		
Veal	.15	.00	.12	.07	.04	.14	.01	.14	.09	.13	.14	.04	.07		
Pork	10.04	15.50	11.56	11.56	7.97	13.68	11.24	10.87	7.92	9.02	10.60	8.20	10.84		
Lamb and mutton	.16	.20	.17	.17	.29	.16	.21	.14	.09	.08	.14	.31	.16		
	Number														
Live animal imports:															
Cattle	23,878	132,223	230,200	167,215	104,931	103,300	77,281	126,750	61,947	81,510	55,237	38,087	22,593	220,750	275,788
Hogs	37,371	38,630	65,854	70,493	47,021	29,067	33,260	25,128	38,926	81,333	51,789	41,133	32,937	21,013	28,867
Sheep and Lambs	2,773	3,543	1,020	1,161	1,509	1,227	496	31	1,911	4,782	4,521	3,719	533	1,305	1,239
Live animal exports:															
Cattle	6,912	10,222	16,115	6,182	8,188	5,684	4,541	9,307	9,529	8,420	10,486	9,652	9,585	13,554	11,132
Hogs	2,742	1,283	1,158	651	2,331	494	2,143	531	1,014	605	719	1,747	464	2,583	1,097
Sheep and lambs	23,696	18,721	22,073	13,441	12,208	16,726	15,171	14,759	11,396	10,458	6,924	7,236	5,325	1,147	5,930

Table 63--U.S. imports of feeder cattle from specified countries, excluding breeding animals and cows for dairy purposes

Year	700 pounds and over				Under 200 pounds			
	Canada	Mexico	Other	Total	Canada	Mexico	Other	Total
	Head							
1979	136,397	1,045	25	137,467	144,170	1,963	0	146,133
1980	148,489	107	30	148,626	131,498	4,439	0	135,937
1981	130,160	103	81	130,344	144,769	884	0	145,653
1982	223,275	96	51	223,422	158,231	1,375	0	159,606
1983	221,066	902	14	221,982	87,587	977	0	88,564
1984	253,700	827	48	254,575	77,700	143	2	77,845
1985	205,343	1,617	472	207,432	25,776	8,972	1	34,749
1986	189,429	19,622	29	46,272	17,788	11,722	283	29,793

Year	200 to 699 pounds				Total			
	Canada	Mexico	Other	Total	Canada	Mexico	Other	Total
1979	53,729	376,941	56	430,726	334,296	379,949	81	714,326
1980	54,570	327,695	60	382,325	334,557	332,241	90	666,888
1981	50,012	320,040	4	370,056	324,941	321,027	85	646,053
1982	97,307	508,206	255	605,768	478,813	509,677	306	988,796
1983	27,992	559,665	12	587,669	336,645	561,544	26	898,215
1984	17,687	389,215	19	406,921	349,087	390,185	69	739,341
1985	107,201	465,889	278	573,368	338,320	476,478	751	815,549
1986	19,836	1,053,989	1,360	1,075,185	227,053	1,085,333	1,672	2,314,058

Table 64--Number of cattle, sheep, and hogs imported, United States

Year	Cattle					
	700 pounds and over			Under 700 pounds		
	Cows for dairy purposes	Other	Total	Under 200 pounds	200 to 699 pounds	Total
	Head					
1979	6,628	137,467	144,095	146,133	430,726	576,859
1980	5,378	148,626	154,004	135,937	382,325	518,262
1981	4,951	130,344	135,295	145,653	370,056	515,709
1982	7,957	223,422	231,379	159,606	605,768	765,374
1983	13,100	221,982	235,082	88,564	587,669	676,233
1984	7,605	254,575	262,180	77,845	406,921	484,766
1985	14,169	207,432	221,601	34,749	573,368	608,117
1986	16,560	209,080	225,640	29,793	1,075,185	1,104,978

Year	Dutiable cattle	Breeding cattle 1/	Total cattle	Sheep and lambs	Hogs
	Head				
1979	720,954	11,360	732,314	9,478	136,556
1980	672,266	8,503	680,769	20,518	247,288
1981	651,004	8,193	659,197	6,860	145,695
1982	996,753	7,754	1,004,507	9,286	294,937
1983	911,315	9,492	920,807	7,128	447,465
1984	746,946	6,492	753,438	16,285	1,322,017
1985	829,718	6,300	836,018	24,199	1,226,571
1986	1,330,618	4,771	1,335,389	22,434	500,967

1/ Imports not subject to duty. 2/Preliminary.

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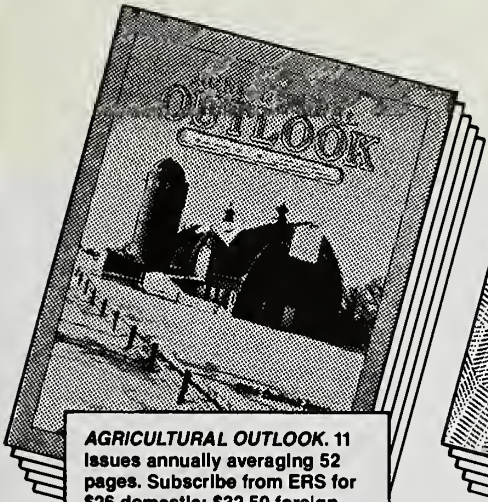

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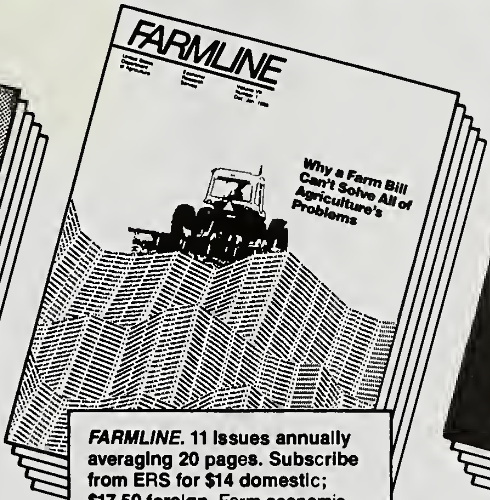

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